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Bush and Clinton Stress Commander-in-Chief Role But President Abstains From Forcing Issue of Rival's Vietnam Draft Status

By Paul F. Horvitz International Herald Tribune WASHINGTON — President George Bush signaled Tuesday that he was not ready to attack Bill Clinton personally over his Vietnam War draft status but that he considered the Democratic candidate's fitness to head the armed forces as a legitimate campaign issue.

In increasing numbers, the young are abandoning their Republican allegiance. Page 3.

the highest standards, because they might have to decide if our sons and daughters should touch early on death's door.

Mr. Bush had been expected to focus more directly on questions surrounding Mr. Clinton's avoidance of service during the Vietnam War. But he declared that he did not intend to do so.

Instead, the Arkansas governor suggested that the Bush administration was not prepared to tell the truth about inevitable cuts in the National Guard budget.

He also confronted the question of "trust," saying Americans want "someone they can trust to act in moments of crisis."

As for sending troops into combat, Mr. Clinton said: "I do not relish this prospect, but neither do I shrink from it. If elected, I will ensure that we have the resolve and the strength constantly to deter, sometimes to fight, and when we fight, always to win."

The Utah forum took on added significance after the Bush campaign decided to scrap a scheduled appearance there by Vice President Dan Quayle and send the president. The Clinton camp altered its schedule and accepted a speech invitation before the same group.

The National Guard consists of part-time soldiers who serve as a state militia and, in wartime, possible active duty in the U.S. Army. Mr. Clinton reminded his audience that he is commander of the Arkansas National Guard.

Rather than attack Mr. Clinton directly on the draft issue, Mr. Bush delivered a spirited defense of Mr. Quayle, who faced questions in 1988 over his Vietnam-era service in the Indiana National Guard. The central issue then was whether Mr. Quayle or his well-connected fam-

ily had used their influence to reserve a slot in the Guard for Mr. Quayle at a time when few guardsmen were being sent to Vietnam.

"Four years ago Dan Quayle was savagely attacked and ridiculed by the national press for going into the National Guard," Mr. Bush said. "No candidate has ever been attacked more unmercifully than Vice President Quayle, but he stood his ground and he answered every question calmly and with candor and he told the truth."

The draft issue is seen by some as critical to the Bush campaign's effort to bring the issues of "trust" and "character" to the foreground while submerging issues related to the performance of the economy. This would effectively transform the race into a referendum on Mr. Clinton's fitness rather than one on Mr. Bush's performance in office.

It was not clear why the Bush campaign decided to refrain from an all-out attack on Mr. Clinton on Tuesday. Some analysts suggested that news media reports would serve the same purpose or that the Bush team has found that voters do not consider the draft matter important.

Intermittent newspaper accounts that reveal that new threads in the Clinton draft story, however tenuous, have provided Republican officials with frequent opportunities to label Mr. Clinton as a "draft-dodger" and to demand that he "tell the truth" about the manner in which he managed to avoid service in Vietnam.

After a series of deferments, due to his status as a university student, Mr. Clinton ultimately was exposed to the draft lottery in 1969, drawing a high number that excluded his induction. The Republicans say they are not concerned about whether Mr. Clinton served in the military, but rather whether his explanations are credible.

Mr. Clinton has acknowledged that he opposed the Vietnam War, but on the central question of whether he actively sought to avoid military service, his version of the facts is not fully supported by other evidence. In addition, his piecemeal discussion of that period in his life has given rise to inconsistencies.

On Monday, he told a radio interviewer: "You don't remember everything after 23 years, every detail and every specific." He added: "I think I could have handled it a lot better, but I haven't ever tried to mislead anybody."

The pointed Republican questions about Mr. Clinton's version of the draft issue have recently sparked a Democratic counterattack. On Tuesday, Senator Bob Kerrey of Nebraska, a highly decorated Vietnam veteran and former contender for the Democratic presidential nomination, announced the formation of a National Veterans Committee for Clinton-Gore '92. Mr. Kerrey was joined by Max Cleland, a quadriplegic Vietnam veteran who is Georgia's secretary of state.



Mr. Bush speaking Tuesday to the National Guard Association in Salt Lake City, Utah.

A Glum Report on the U.S. Economy

U.S. retail sales dropped a sharper-than-expected 0.5 percent in August while consumer prices rose a moderate 0.3 percent, signaling that the economy is virtually stagnant seven weeks before the election. The figures show that consumers, faced with a poor job market and weak income growth, have shown little desire to increase their borrowing and spending.

Table with financial data: Dow Jones (Down 48.90), Trib Index (Down 1.31%), The Dollar (New York, This close, previous close), DM (1.4919, 1.4822), Pound (1.8616, 1.8945), Yen (124.37, 124.20), FF (5.066, 5.0266).

Markets Erase Gains As Tensions Return Fears of Further Economic Turmoil Prompt Renewal of Trading Jitters

By Carl Gewirtz International Herald Tribune

PARIS — In a replay of the tensions that roiled European markets before Germany cut its interest rates and Italy devalued its currency, the lira and the pound came under heavy pressure Tuesday as funds rushed back into the Deutsche mark.

European stock markets also gave up most of the gains they scored Monday in the euphoria over the interest rate decline and a rebound in the dollar, which was expected to bolster corporate profits earned in North America.

The International Herald Tribune World Stock Index slid 1.31 percent, to 94.30. The European component fell 2.27 percent, to 97.09, while the Asia-Pacific component was little changed, up 0.05 percent at 86.58. The North America sector declined 1.31 percent, to 98.44.

[With France set to vote Sunday on whether to proceed with the next phase of European unification, analysts said the markets were as jittery as they had been before the German move and that there remained the possibility of further economic jitters, such as a rise in British interest rates or a further devaluation of the lira, the New York Times reported from London.

"The reaction in the markets has been that the Bundesbank failed to achieve the good of relieving the immediate tensions in the exchange-rate mechanism and it did the harm of undermining its own anti-inflation credibility," said Ian Harnett, an economist at Société Générale Straus Turnbull Securities in London.

In agreeing to a very limited rate reduction, economists said, the Bundesbank tried halfheartedly, and apparently failed, to convince markets that it could be counted on to act in the interests of Europe as a whole without compromising its domestic role of guiding the German

economy through the difficulties of unifying East and West Germany.

The dollar also lost ground against the mark in Europe, before reversing course in New York trading. But a weakness in Europe was "necessarily a by-product of the renewed strength of the mark," said Julian Simmonds, Citibank's chief trader in London.

In more bad news for the markets, the president of the Bundesbank, Helmut Schlesinger, dampened hopes of another German rate cut.

While German inflation shows some signs of slowing, the money supply is still expanding too fast, he said in a summary of an interview to be published Wednesday, and that makes another cut in rates unlikely soon.

The U.S. currency was hit after the government reported a decline in August retail sales, prompting speculation that the well-contained rate of U.S. inflation would permit yet another decline in interest rates that would widen the gap against German levels.

The dollar subsequently recovered on rumors that a U.S. warplane had been shot down over Iraq. While U.S. officials denied any knowledge of such an event, the rebound held. The dollar closed at 1.4919 DM in New York, up from 1.4822 DM on Monday, although it was mixed against other major currencies. The dollar had traded as low as 1.4712 DM in London.

"It's a wild, run-up-prime market," said David Brown at Swiss Bank Corp. in London. Traders said there was an overall reassessment that the 7 percent devaluation of the lira announced last Sunday was insufficient to restore the competitiveness of Italian industry and that something closer to 15 percent was really needed.

As for the interest rate cuts announced Monday in Germany, they were deemed too small to remove the doubts about Britain's ability to pay the still-high interest rates needed to maintain

See TRADE, Page 12

From Bundesbank, a Clue To EC's Future Approach

By Tom Redburn International Herald Tribune

PARIS — If you liked the way the Bundesbank appeared to yield to outside pressure from German politicians and leaders of other nations to cut interest rates, you will love the proposed European central bank. If you didn't like it, you will probably hate future monetary policy in the proposed European union.

That was the thrust of reaction in Europe and elsewhere as officials and economists began to examine some of the long-range implications of Monday's sudden move by the nominally independent German central bank. Although most analysts agreed that lower interest rates were needed, views diverged sharply over the manner in which the Bundesbank was forced to act.

The decision to cut rates, rather than being disclosed by the Bundesbank, was announced separately Sunday evening by Germany's finance minister, Theo Waigel, and by Italy's prime minister, Giuliano Amato.

The Bundesbank action, which followed a visit from top German government officials to Frankfurt on Friday, seemingly conformed to the prescription for the European central bank offered by President François Mitterrand of France.

"The technicians of the central bank," Mr. Mitterrand told French voters during his televised forum earlier this month on the Maastricht treaty, "are to be charged with applying, in the monetary domain, the decisions made by the 12 chiefs of state and government."

But that is not the way the future Eurofed, as it is often called, is supposed to work. The Treaty on European Union calls for the establishment of a central bank that would replace existing national monetary authorities

and create a broad currency union in Europe by the end of the decade. It is explicitly modeled on the Bundesbank — whose official independence and anti-inflation mission are enshrined in German law — rather than on other European central banks that operate as arms of government finance ministries.

"Neither the ECB, nor a national central bank, nor any member of their decision-making bodies shall seek or take instructions from Community institutions or bodies, from any Government of a Member State or from any other body," the Maastricht treaty reads.

But just as the Bundesbank's independence was called into doubt by the German rate cut that accompanied a devaluation of the Italian lira, so, too, are questions being raised about the role to be performed by the European central bank.

"The shift to a European central bank would be a shift to a more inflationary Europe," said Martin Feldstein, who was chief White House economic adviser to Ronald Reagan and is a leading academic critic of the Maastricht blueprint for monetary union.

If one listens to European political leaders, Mr. Feldstein argued, "what they are saying is that central bankers are a tough, mean lot, but in the end the kind-hearted politicians will tell them what to do."

Indeed, French officials, in an all-out campaign for ratification of the treaty, adopted last December by the 12 political leaders of the Community, hailed the Bundesbank move as indicating just that.

"They have put the interests of Europe ahead of their own," Prime Minister Pierre Berégovoy said. See RATES, Page 13

U.S.-Israeli Deal Would Soften Blow of Sale to Saudis

By Thomas L. Friedman New York Times Service

WASHINGTON — The United States and Israel are negotiating a major military cooperation package that would help compensate Israel for the sale of top-of-the-line F-15 fighter aircraft to Saudi Arabia, according to Israeli and U.S. officials.

The package focuses on how to give Israel more access to U.S. satellite intelligence and military equipment, especially high-technology

items that would enable Israel to improve its own weaponry.

President George Bush and the White House chief of staff, James A. Baker 3d, have been discussing the details by phone with Prime Minister Yitzhak Rabin in the last two weeks. On Friday, Israel's ambassador to the United States, Zalman Shoval, and Defense Secretary Dick Cheney set up a framework for negotiating the deal.

If all of the strategic and military ideas being considered are actually put into effect, the deal could greatly enhance Israeli-U.S. military cooperation and Israel's advantages over its Arab neighbors, the officials said. But each of the areas under discussion is complicated, either because of Israel's financial limitations or U.S. laws barring export of sensitive technology. As a result, no one is certain what the final shape of the arrangement will look like.

"Israel is in a period of shrinking defense budgets and so are we," a leading administration official said.

"We are looking for ways to be helpful to them that will not cost us or them a lot," he added.

Such a deal would also serve the Bush administration's interest in appealing to Jewish voters in an election year, and administration officials made it clear that they hoped to tie up these new arrangements quickly.

At their meeting on Friday, Mr. Cheney and Mr. Shoval agreed to establish five negotiating committees, made up of technical experts from both countries, to work out the different aspects. See DEAL, Page 9

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Kiosk

French Official to Act As Israel-PLO Conduit

JERUSALEM (AP) — Israel television reported Tuesday that Foreign Minister Roland Dumas of France would open a channel between Jerusalem and the Palestine Liberation Organization. It said he also would act as broker between Israel and Algeria.

The report was attributed to French diplomatic sources. The unnamed sources also said Foreign Minister Shimon Peres of Israel gave his approval for the mediation during his visit to Paris last week, the television said.

European Soccer

- Cup Winners' Cup: First-round, first-leg matches: Airdrieonians 0, Sparta Prague 1; Glenavon 1, Antwerp 1; Werder Bremen 3, Hanover 1. UEFA Cup: First-round, first-leg matches: Caen 3, Real Zaragoza 2; Hibernian 2, Anderlecht 2; Neuchâtel Xamax 2, Frem Copenhagen 2. Earlier article, Page 18.



RABIN AT REICHSTAG — Prime Minister Yitzhak Rabin of Israel, lower left, greeting fellow socialists Tuesday at the Reichstag in Berlin, where he urged Germans to curb extreme-rightist violence against refugees and threats against Jews. Page 2.

In the Gulf, It's the Heat That Hurts, Not the Hostility

By Chris Hedges New York Times Service

ABOARD THE USS INDEPENDENCE, in the Gulf — U.S. aviators and sailors in the Gulf, daily sending warplanes into the skies over southern Iraq, have discovered that the most debilitating force they confront is one that President Saddam Hussein does not control: the sun.

"Heat is our biggest enemy," Captain Carter B. Refo said, gazing out at the water from the bridge. "We have paid a lot of attention to training people how to deal with heat. In this weather, you have to force-feed the body with fluids." The Iraqis have not challenged planes en-

forcing an air-exclusion zone south of the 32d parallel, which was imposed at the end of August to protect Shiite Muslims and weaken Mr. Saddam's hold on power.

But the heat can soar to as high as 140 degrees Fahrenheit (60 degrees centigrade) in some places on the aircraft carrier. It has sent as many as a dozen people a day to the medical ward with heat exhaustion and heat rash, increased water consumption, speeded the corrosion of equipment, and forced engineers to shut down water heaters.

"Even the cold water is hot," said Commander David J. Vogel, the chief engineer. The steamy waters unleash a soupy mist that lowers visibility to a few hundred yards and

creates radar snowstorms that play havoc with the screens.

"You can't escape from the heat," said the ship's chaplain, the Reverend David L. Peary. "You may be sitting in an office, but the sweat just rolls down your shirt."

The machinery rooms, the laundry, and the sculleries, with temperatures that average about 120 degrees, can often be occupied for less than an hour before sailors have to be relieved. Officers say supervisors have to be constantly alert for impaired job performance.

"A lot of guys get dizzy and have to go sit down," said Peter James Burns, a dishwasher. Air-conditioning units, which struggle to cool 100-degree seawater, barely make a dent in

the wardrooms and offices. "The ship is not designed to cool the type of air and water out here," said the senior medical officer, Dr. Dennis E. Deakin. "A lot of people have trouble sleeping. They are miserable and it affects their outlook on life."

There might often be 200 sailors in a sleeping area; then noise, commotion, and heat combine to disrupt the six to eight hours they have to rest.

"You wake up just as tired as when you went to sleep," Commander John A. Perry said. One of the most brutal working areas is the ship's 4-acre (1.62-hectare) flight deck. Its black

See HEAT, Page 9

Best Bet Now for Europe: A Loose Confederation

By William Drozdzial Washington Post Service

PARIS — The vision of a United States of Europe that once inspired the founding fathers of the European Community is fading, and even the most ardent advocates of integration now say that a loose confederation of states stretching across the continent may be its best hope for the future.

As France heads toward a crucial vote Sunday on the Treaty on European Union, the vision of a seamless federal Europe — regardless of the outcome — already appears to be one of the casualties of an intensely emotional campaign preceding the referendum.

With final polls finding the vote too close to call, opponents of the treaty are insisting that they have strangled any notion of a European superstate run by an elite technocracy in Brussels. Even Jacques Delors, the president of the EC Commission, and a leading proponent of the federal view, acknowledges that "Europe," if it is to succeed, should not be centralized.

"In the future," he said recently, the Community's decisions "should be taken at the lowest levels of government, so that Europe can be brought closer to the people."

Beyond fears of lost sovereignty and national identity, warning support for the Maastricht treaty on political and economic union appears to result from a perception that it is a relic of the old Cold War order, when a unified Community was viewed as a necessary bulwark against the Communist East.

One of the strongest arguments advanced by treaty's opponents, judging by responses in opinion polls, is that the Community's push for greater unity neglects the pressing needs of new democracies in Eastern Europe. Instead, emphasis is placed on developing a

NEWS ANALYSIS

single currency and closer coordination of foreign and security policies, along with at least \$14 billion in development aid to bring the living standards of Spain, Portugal, Ireland and Greece up to the level of richer partners.

Earlier this year, the Community signed association accords with Poland, Hungary and Czechoslovakia that offer hope for membership in the long run. But the agreements fail to offer sufficient trade concessions in the products that Eastern countries might sell at competitive prices in the West — such as steel, textiles and farm products — because EC member govern-

ments felt too weak to stand up to the protests of their own producers.

Yet, Jacques Attali, director of the European Bank for Reconstruction and Development, warns that the failure to provide more help to the East will create new security headaches for the West by sowing further political chaos. Yugoslavia, he said, may only be the beginning of the kind of ethnic conflict that could engulf the region.

Opponents of the treaty argue that for such reasons, immediate priority should be given to bringing the new democracies of Eastern Europe into the Community, putting off union.

"It is imperative that we stabilize the countries in central and Eastern Europe if we want to avoid the kind of anarchy that we already see nurturing risks of future wars," said a former defense minister, Jean-Pierre Chevènement, a Socialist who had broken with President François Mitterrand and the party mainstream in opposing the treaty.

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Fingers Crossed, Italian Leader Expects a 'Yes' in French Vote

By Alan Cowell
New York Times Service

ROME — Five days before a crucial French referendum on the Treaty on European Union, Prime Minister Giuliano Amato said Tuesday that he believed the chances of a "yes" vote were strengthening and that his own country would ratify the pact whatever the outcome in France.

Possibly more than other European nations, Italy has a lot riding on the French vote, because many of its leaders and financial thinkers believe Rome needs the fiscal discipline enshrined in the Maastricht accord to solve pressing economic problems rooted in runaway government spending and widespread tax evasion.

Moreover, the country is only now emerging from a financial crisis that culminated Sunday in a 7 percent devaluation of the lira against other European currencies in return for a German reduction in high interest rates that had made the Deutsche mark ever stronger.

Mr. Amato said Tuesday that he did not think a further devaluation of the lira would be necessary and, despite the currency's continued weakness Tuesday, forecast a reduction of the domestic interest rates that

Italy raised to support its currency against speculators gambling on a devaluation.

"We can expect a reduction in our domestic interest rates, which were putting the cost of money beyond the possibility of any industrial investment," he said, but he did not say when or by how much rates might be cut.

In an interview, Mr. Amato said a "no" vote in France "will bring with itself a turbulence throughout Europe."

But, he said, even if the French voted "no" to the union treaty, "we would go on with the process of ratification" — unlike Britain, for instance, which has said it will not try to ratify the accord on economic and political union, due to come into effect next year, if French voters reject it.

[The Senate Foreign Affairs Commission gave Italy's first formal approval of the treaty Tuesday prior to full debates in both houses of parliament, Reuters reported. The commission approval, a formality, meant a full debate could begin Wednesday in the Senate, where approval is a virtual certainty.]

Mr. Amato said that one of the considerations reflected in the coupling of the lira devaluation and

the lowering of German interest rates was to promote a "yes" vote in France.

"One of our reasons for the defense of the stability of the lira until Sunday was that devaluation of the lira as such without any other element could have been negative for a success of the 'yes' in France," he said.

Devaluation of the lira accompanied by a reduction of German interest rates was considered in Paris positive, he said. "We expect that the influence of the realignment on the referendum could be not negative, but positive."

"At the moment I see better chances for the 'yes' than for the 'no.' A couple of weeks ago the chances of the 'no' seemed to be higher," Mr. Amato said.

The argument that a display of European cooperation in stabilizing money markets would influence the "yes" campaign in France runs counter to other arguments: namely that the devaluation of the lira at the behest of the German central bank reflected precisely the overwhelming German economic power that some French voters fear.

Mr. Amato said the initiative for the devaluation had come from Germany last week after the government and the central bank had agreed between themselves to reduce interest rates when Italy devalued.

Up until that point, both the Italian and German central banks had spent billions of dollars trying to support the battered Italian currency, Italian economists said, so there were pressing economic reasons for the devaluation far surpassing any political worries about the French referendum.

The Italian leader offered no clear indication of how Europe might escape the impasse if the French rejected the Maastricht accord.

"Our task will be to pass through the turbulence and to maintain the Community institutions that are very important," he said.

Mr. Amato is to meet with Chancellor Helmut Kohl of Germany in Florence later this week.

"I expect that the meeting, among other things, will give support to the 'yes,'" he said. "And, in fact, what happened Sunday was a support that these two countries gave already," he added, referring to the devaluation, which has stirred much criticism here.

The Socialist prime minister heads a fragile, four-party coalition that took office in June after political wrangling following April's inconclusive general elections.

WORLD BRIEFS

Mandela Warns of Renewed Fighting

JOHANNESBURG (AP) — Nelson Mandela said in an interview published Tuesday that he would face pressure to resume "armed struggle" unless the government made concessions on resuming talks. The newspaper The Star quoted the president of the African National Congress as saying he was eager to resume the stalled talks on a new constitution as soon as the government met some ANC demands. "If we can't do something visible to show that we're fighting against oppression," he said, "those who are demanding the resumption of the armed struggle are going to prevail."

Malaysia Opposes Plutonium Ship

KUALA LUMPUR (AP) — Malaysia opposes having a Japanese ship carrying plutonium pass through the Strait of Malacca. Foreign Minister Abdullah Ahmad Badawi said. "The strait is too narrow," he said. "We cannot afford a disaster there." Other nations earlier expressed opposition to passage of the 4,800-ton freighter Akatsuki Maru when it returns to Japan from picking up a ton of processed plutonium from France. Hawaiian officials expressed concern about the passage of the highly toxic plutonium, enough to make 100 nuclear bombs.

Brandt Bids Farewell to Socialists

BERLIN (Reuters) — Willy Brandt, 78 and stricken with cancer, bade a nostalgic farewell to the Socialist International on Tuesday with an appeal for peace and justice read out by a longtime ally. The former West German chancellor and recipient of the 1971 Nobel Peace Prize urged the worldwide union of Socialist parties meeting in Berlin to help stop the bloody conflicts mushrooming in the post-Cold War world.

Many Evacuated in Pakistani Floods

KARACHI, Pakistan (AP) — Army helicopters ferried as many as half a million people from their riverside adobe villages Tuesday as flood waters churned toward southern Pakistan and in neighboring India have been killed in the flooding and landslides since torrential rains began in the region a week ago, authorities said. The Pakistani government ordered the army to evacuate an estimated 500,000 people living along the banks of the Indus River in western Sindh Province and imposed emergency measures to try to prevent the devastation that flash floods caused last week. Government officials estimate that the Indus will peak late Thursday or early Friday.

Russia Offers Gunboat Sale to Manila

MANILA (Reuters) — Russia has offered to sell modern missile gunboats to the Philippines to replace its aging U.S.-made frigates, the Philippine Navy said Tuesday. The Russian ambassador, Vitali Koutchouk, offered the gunboats last week for \$40 million each, 30 percent cheaper than vessels made elsewhere, the navy said. The navy, which is considering the offer, said the 12 Tarantul class vessels can each be equipped with four surface-to-surface missiles and run at an economic speed of 14 knots. Apart from the cost, capability and condition of the gunboats, the navy said it had to consider maintenance services before deciding whether to go ahead with its first arms deal with Russia.

For the Record

Prime Minister Theodor Stolojan of Romania said Tuesday he would quit after elections this month and seek a World Bank post. (Reuters) Russian cosmonauts completed their third space walk in eight days on Tuesday to improve communications on the orbiting space station Mir. (Reuters) (Reuters)

Correction

An article in Tuesday's editions on the Bundesbank's decision to cut interest rates incorrectly cited the new discount rate. It is 8.25 percent.

TRAVEL UPDATE

Security measures at Milan's two airports have been reinforced since the Italian secret services intercepted a telephone call between two Mafia bosses in which one of them warned the other to steer clear of Milan airport in September. The U.S. Embassy in Italy last week said it was impossible to gauge the credibility of the warning, but advised U.S. citizens who had to travel to Milan to avoid having their families meet them at the airport. (Reuters) A 24-hour strike by French airline pilots threatens severe disruptions in France on Wednesday. Air France said it would run nearly all its long-range international connections and about two thirds of its medium-range services. But Air Inter, the domestic carrier, advised passengers to check whether their flight was operating before leaving for the airport. The airline set up a help-line in Paris, 46-75-13-13, as well as its regular number, 45-46-90-00. (IHT)

The Weather

Forecast for Thursday through Saturday. Includes maps of North America, Europe, and Asia with weather symbols and temperature/precipitation data for various cities.

In Tanks, Serbian Force Drives Toward Sarajevo

By Blaine Harden
Washington Post Service

SARAJEVO, Bosnia-Herzegovina — Using 10 tanks that had been kept hidden from UN weapons monitors, Serbian forces advanced Tuesday toward a western suburb of Sarajevo from which they could cut off the UN-controlled airport from the city center.

Serbian tanks systematically razed private houses in the suburb of Azici, according to senior UN officers with the peacekeeping mission here. Ethnic Croatian residents of the suburb were said to be fleeing.

The offensive, which began Monday in several western suburbs, was the first major Serbian advance around Sarajevo since the early stages of the five-month war for the city.

It could provoke a confrontation with the UN peacekeeping operations here, which has a mandate to use whatever force is necessary to transport food and medicine from the airport to the city center.

The UN began demanding assurances Tuesday from the Serbs for continued access to Sarajevo.

Serbian forces began their assault on Monday, only two days after their leader, Radovan Karadzic, guaranteed UN officials here that all heavy weapons controlled by his side were clustered under the eyes of foreign observers. Mr. Kar-

adzic also promised not to use his artillery and tanks unless attacked.

In Sarajevo, if the Serbian tank and infantry advance in the western suburbs continues for less than a kilometer farther, UN officials here say that Serbian forces would be in a position to block the main road that connects Sarajevo with its airport.

With the beginning of an airlift in June, the airport became the main distribution point for humanitarian aid to the besieged city's 380,000 residents.

Bosnian Going to Talks

Bosnia's Muslim-led government will send its foreign minister to Geneva peace talks on Friday, Reuters reported from Geneva.

A UN spokesman said the UN mediator, Cyrus R. Vance, had received a letter from Bosnia's president, Alija Izetbegovic, saying the minister, Haris Silajdzic, would represent him at the meeting, which will also involve the former Yugoslav republic's Serbs and Croats.

U.S. Helicopter Hit Near Sarajevo

WASHINGTON — A U.S. Marine helicopter was apparently hit by a rifle fire while searching for the Italian relief plane that may have been shot down near Sarajevo on Sept. 3, a Defense Department spokesman said Tuesday.

The spokesman said closer evaluation of a hole in the helicopter's tail rotor indicated it was hit with "gunfire from a 5.56mm small arms round."

The helicopter was one of two that flew from the U.S. aircraft carrier Iwo Jima to search for the Italian relief plane that was apparently shot down by a ground-fired missile. International relief flights to Sarajevo have been halted since then.



Refugees who fled last month from the fighting in Bosnia returning Tuesday to Tuzla, now reported calm, to the north of Sarajevo.

EC to Press UN on Yugoslav Suspension

UNITED NATIONS, New York — The European Community served notice at the start of the annual General Assembly session Tuesday that it would press for action to suspend the rump state of Yugoslavia from UN bodies.

"It is clear that the federal republic of Yugoslavia," which consists of Serbia and Montenegro, "does not have any right to claim the seat of the former Socialist Federal Republic of Yugoslavia," said Sir David Hannay of Britain, which holds the current EC chairmanship.

Speaking on a point of order, Sir David said that "the European Community and its member states intend to press for early action by the appropriate organs of the United Nations, in accordance with the Charter."

He said the aim would be a Security Council resolution recommending that the General Assembly "deny the claim by the Federal Republic of Yugoslavia to continue automatically the membership of the former Socialist Federal Republic of Yugoslavia in the United Nations."

He said this would ensure that the rump Yugoslav state "is not allowed to participate in the work of United Nations bodies."

The British ambassador addressed the assembly on its opening day after it had elected by acclamation as its president the Bulgarian foreign minister, Stoyan Ganev, and had then elected chairman of its seven main committees.

7,500 More UN Troops

The Security Council has agreed to commit an additional force of up to 7,500 UN troops to the humanitarian relief operation in Bosnia, but it failed to agree on creating an air exclusion zone over the republic to prevent Serbian air attacks. The Washington Post reported from UN headquarters.

The 15-nation council adopted the recommendation of Secretary-General Boutros Boutros Ghali that the current force of 1,500 UN troops be increased "four or five" times.

The action was supported Monday by 12 members. China, India and Zimbabwe abstained because they objected to language in the resolution that they said might set a precedent for interference in the internal affairs of other countries.

Japan Refutes Hints Of Early Yeltsin Talks

TOKYO — The Japanese Foreign Ministry has ruled out any chance of Prime Minister Kiichi Miyazawa meeting President Boris N. Yeltsin in mid-November to discuss a long-running territorial dispute, news reports said Tuesday.

Deputy Prime Minister Mikhail N. Poltorakin of Russia told Interfax news agency in Moscow on Monday that Mr. Yeltsin, who last week put off an official trip to Japan, could meet Mr. Miyazawa in Okinawa before a rescheduled visit to South Korea.

"We cannot think such a proposal reliable unless it is conveyed to us by the Russian Foreign Ministry through an official diplomatic channel," a Japanese Foreign Ministry source told the Yomiuri Shimbun newspaper.

"There can be no possibility of the prime minister going all the way to Okinawa to meet the Russian president."

The Kyoto news agency quoted a ministry source as saying Mr. Poltorakin's comments were made without consulting the Japanese government.

Foreign Ministry officials were unavailable to confirm the reports. A spokesman for the Russian Foreign Ministry said the two countries had agreed to abstain from "unfriendly rhetoric" in public and to continue talks on rescheduling the visit.

"Our goal continues to be a visit by the Russian president to Japan," he said.

Mr. Yeltsin put off trips last week to Japan and South Korea after failing to reach a compromise with Tokyo on their dispute over four Kuril islands off Japan's north coast, seized by the Soviet Army at the end of World War II.

Japan refuses to sign a peace treaty formally ending the war until it regains what it calls its Northern Territories. Japan has withheld large-scale economic aid to Russia until the issue is resolved.

Rabin Plea on German Riots

BERLIN — Yitzhak Rabin, the first Israeli prime minister to speak in the Reichstag, urged Germans on Tuesday to reduce violence by extreme rightists.

"It brings terrible memories of the past," Mr. Rabin said as he took the podium in the building at the site where Hitler was voted dictatorial powers. He was addressing the opening day of an international congress of socialist and labor parties in a Reichstag rebuilt after the war.

However, Mr. Rabin also asserted Israel's willingness to work together with the "new Germany,"

during a speech to a meeting of the Socialist International.

In a forceful statement for a visiting head of government, Mr. Rabin said Germany's three and a half weeks of far-right violence, including the bombing of a Holocaust memorial in Berlin, must serve as "red lights of warning."

He urged Germans "to avoid any beginning that might bring us to part of what happened" in the past. He denounced the racism against foreigners and anti-Semitic feelings, while calling the violence "terrible events."

Mr. Rabin will travel Wednesday to the Sachsenhausen concentration camp north of Berlin, to lay a wreath to Holocaust victims and others who died under Nazi tyranny. Six million Jews perished during the Third Reich.

Mr. Rabin is the first Israeli head of government to visit Germany since its reunification nearly two years ago.

Mr. Rabin flew to Berlin from Bonn, where he apparently failed to win any specific pledges to help ease a financial squeeze in Israel partly caused by an influx of thousands of Jews from the former Soviet Union.

Earlier, Foreign Minister Klaus Kinkel told Mr. Rabin that the racist violence by far-right gangs against foreigners was a disgrace.

A spokesman said Mr. Kinkel had urged Mr. Rabin not to equate the neo-Nazi assaults with all of Germany. He said Mr. Kinkel was "quite aware" and "ashamed" of how the violence was being seen abroad.

The attacks, mainly in Eastern Germany, erupted last month with riots against a refugee hostel in Rostock. They have spread to other hostels for Third World and East European refugees seeking political asylum.

(AP, Reuters, AFP)

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UN Starts Food Drops in Somalia. The Associated Press. MOGADISHU, Somalia — The United Nations has begun dropping tons of food from airplanes to the starving in inaccessible towns in rural Somalia, an official said Tuesday. The food drops are part of an effort to arrest the flow of thousands of people who have been leaving their homes to go to larger towns where food began arriving in August, she said. Much of Somalia is inaccessible either because local dirt airstrips are unable to handle planes large enough to carry several tons of food and supplies, or because of inadequate roads. The operation began Sunday afternoon with delivery of 14 metric tons of wheat to Tigjelo, a village of about 2,000 people 280 kilometers (170 miles) northwest of Mogadishu, said a World Food Program spokeswoman, Brenda Barton. Another airdrop of the same amount to Tigjelo was made Monday, she said, speaking from offices in neighboring Kenya. A World Food Program official on Sunday had said airdrops would be postponed indefinitely because advance media publicity had jeopardized the operation by threatening to draw people and bandits to the airdrop sites. She said that rather than delay the operation, the World Food Program had decided to go ahead, but to withhold the name of the airdrop destinations until after the towns had begun receiving food. "Airdrops are very, very delicate operations," she said. "To pre-announce them is potentially dangerous."

Handwritten Arabic text: "مكتبة من الامارات".

صحة من الامم

CAMPAIGN '92 / A NEW ALLEGIANCE

ELECTION NOTES

Perot Still Choice of 1 in 6 Voters, Poll Says

WASHINGTON — Independent Ross Perot remains the choice for president of one out of six voters, who say they will cast their ballots for him whether he is officially running or not.

Debate on Debate Pits 2 Views on Format

WASHINGTON — The debate on debates has begun, with George Bush rejecting the format proposed by a bipartisan commission and Bill Clinton reaffirming his readiness to play by the commission's rules.

Economists Group Expects Clinton Victory

DALLAS — Most members of the National Association of Business Economists expect that Bill Clinton would be elected in November and that economic growth under him would probably be higher than during a second term for George Bush.

Texas Within Reach, a Clinton Poll Finds

WASHINGTON — Two weeks ago, Bill Clinton and Senator Al Gore took their bus tour deep into the heart of Texas, spending three dusty days on the trail, from San Antonio to Tyler.

Quote-Unquote:

Ross Perot on George Bush's new economic plan: "Well, it was soft. It was conceptual. It was like let's build a building, but he didn't say whether it would be a house, an office building, a swimming pool or what. It was soft."

Away From the Hustings

• Date rape is on the rise on college campuses, a survey of 1,200 coed juniors and 200 graduates shows, according to the national U.S. women's magazine Glamour.

Rise in Research Cited As U.S. Tuitions Soar

WASHINGTON — Tuition at public colleges in the United States increased 141 percent during the 1980s, more than twice the general inflation rate, largely because of administrative bloat and a faculty shift from classroom teaching to academic research, according to a congressional report.

Ted Weiss, N.Y. Congressman, Dies

By James Dao New York Times Service NEW YORK — Representative Ted Weiss, 64, a New York Democrat who for more than 15 years was one of the most outspoken advocates of liberal policies in Congress, died of heart failure Monday in Manhattan.

Republican Scenario Goes Awry as the Young Go Democrat

By Thomas B. Edsall Washington Post Service

WASHINGTON — Young voters, the linchpin of long-range Republican strategies to realign American politics, are abandoning their loyalties to the party in increasing numbers.

Until recently, surveys showed the Republican Party gaining steadily when voters of all ages were asked their partisan preferences and running only four to seven points behind the once overwhelmingly dominant Democratic Party.

cent said they were inclined toward the Republican Party. Among the next tier of voters, those 25 to 30, who were supposed to become a key element in the Republican coalition, the Democratic Party held a 51-to-42 edge.

campaign, said the strongest pro-Democratic and pro-Clinton movement in the electorate had been among single white males. "The under-30s single men, we have really captured them."

Physicians Urge Lid On Health Charges Turning Point in U.S. Debate

By Robert Pear New York Times Service

WASHINGTON — The American College of Physicians, the largest medical specialty group in the United States, has recommended an overall national limit on health-care spending, with new restrictions on the amounts charged by doctors and hospitals.

President George Bush vehemently opposes the idea, saying it would lead to stringent rationing of health care, and he regularly denounces the idea in campaign speeches.



POTENTIAL FIRST LADIES — Hillary Clinton, left, and Tipper Gore sharing a laugh at a fund-raising luncheon in Washington.

Under the proposal, all employers would be required to provide health insurance for their workers or to pay a new tax to finance a public health plan in which the employees could enroll.

Historically, doctors have opposed efforts by government, insurers and businesses to regulate their fees. But Dr. Willis C. Maddrey, president of the American College of Physicians, said, "Today we acknowledge that times have changed."

In developing the plan, the college's 28-member board consulted a wide range of business and labor groups, circulated questionnaires among 4,500 members of the college and met with college chapters from all 50 states.

The proposal does echo many themes sounded by the Clinton campaign. It says the federal government and the states must be more aggressive in regulating medical practice, health spending and the supply of doctors, hospitals and medical technology.

Rise in Research Cited As U.S. Tuitions Soar

By Mary Jordan Washington Post Service

WASHINGTON — Tuition at public colleges in the United States increased 141 percent during the 1980s, more than twice the general inflation rate, largely because of administrative bloat and a faculty shift from classroom teaching to academic research, according to a congressional report.

Nonetheless, Dr. Raymond Scallister, chairman of the American Medical Association, sharply criticized the proposal. "The college's plan is a thinly veiled Clinton-style proposal, a radical approach rather than the incremental reform that is necessary," he said.

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Some college officials disputed the findings, based on a year's study, as simplistic. They said the rising tuition was the result of many factors, including a 13 percent boost in enrollment during the 1980s, increasing government regu-

lation and declining U.S. aid to students. "I think this is someone trying to lash out and justify a particular political position," said James Appleberry, president of the American Association of State Colleges and Universities.

Palace Luzern

Advertisement for Palace Luzern, a hotel in Switzerland, featuring amenities and contact information.

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Herald Tribune

Peru Can Turn the Page

The arrest Saturday of Abimael Guzman... That the Shining Path has held off more numerous government forces for 12 years...

Awaiting a Real Debate

There they go again. The Bush White House team led by James Baker is setting out to force the proposed presidential debates into a format more to its liking and to do so in secret so as to avoid having to say what is wrong with the recommendation on the table...

The Family Values Test

The recent approval by the House of Representatives of a bill guaranteeing unpaid leave to workers facing family or medical emergencies puts George Bush's campaign for family values to a severe test...

Let the Tax Bill Lie

The U.S. Congress has been threatening all year to pass a tax bill that the country would massively better off without. The version of the bill was meticulously vetted, though the provisions the president did not like were the good ones, not the bad...

Maastricht: The French Prepare Their Verdict

'Yes': There Is No Alternative

The writer, a Socialist, is French minister of equipment, housing and transport, and a former chief of staff for President Mitterrand. Paris — On Sunday, the French will be asked to respond to a simple question: Do they or do they not want to pursue a new European structure?



'No': The Real French Resist

The writer, a Socialist and former government spokesman, is author of 'L'Europe Contre l'Europe.' Paris — How can anyone oppose the Maastricht treaty? You would have to be as mad, it would seem, as Asterix, the comic-book hero who, along with the other inhabitants of his small village, the last in Gaul to remain free, fights obstinately against Caesar's armies.

Rabin and Israel Can't Afford to Ignore the Risks

NEW YORK — To understand Israel it is useful to understand this: It was created by and for a special breed of people — Jewish gamblers. Who but a gambler would take the odds of going off to live in rock and desert, surrounded and outnumbered by neighbors trying to kill him...

pointing out the risks that Israel is taking. This gives the world the impression that it is up to Israelis to make the concessions, that the current lessening of danger to Israel will last indefinitely...

Jobs and Inflation: The Democracies Struggle for the Right Mix

PARIS — There were 160,000 American jobs lost in August. This news was played principally for its political significance for George Bush and Bill Clinton. But why were these jobs lost? Why have wages declined in value? And what does their loss say about the economic philosophy governing not only the American government but nearly all of the Western democracies?

conventional wisdom that has ranked inflation as the chief threat to economic stability and growth. Thus, every major industrial country except the United States and Japan has very high interest rates. Since the Deutsche mark is the dominant European currency and the others are tied to it in the European Monetary System, French, British and Italian rates have to be high in order to hold their investment attraction against that of the German currency.

The King and Sir Bill Do Not Debate

WASHINGTON — Issues. What ever happened to the issues? The quadrilateral complaint that presidential elections ignore the real issues is quadrilaterally valid. A presidential system — every four years electing a king and his court — is, in effect, a system designed not to turn on the issues. They turn on personality.

will be seen as more interested in the Kuwaiti royal family than in the American worker. Governor Clinton runs away because he is unfamiliar with foreign policy. Finally, there once was an issue called family values. It was a real issue. Democracy and capitalism are uneasy bedmates. The republican virtues — discipline, civility, moderation, respect for legitimate authority — are undermined by the very dynamism and social change engendered by capitalism.

Letters intended for publication should be addressed "Letters to the Editor" and contain the writer's signature, name and full address. Letters should be brief and are subject to editing. We cannot be responsible for the return of unsolicited manuscripts.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1892: For a Free Egypt

CAIRO — In a manifesto drawn up by the so-called Egyptian Liberation League, the demand "Egypt for the Egyptians" is made to Mr. Gladstone, who is described as the "liberator of nations." The League further demands representative institutions, neutralization of the country, the abolition of the Army and the establishment of a National Bank founded on the "Vakoufs," or religious trusts property, which, it pretended, would prove sufficient to liquidate the debt of Egypt in fifteen years.

1917: Hopes for Poland

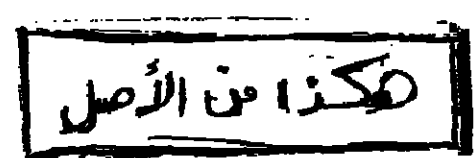
PARIS — The Kaiser and Emperor Charles have issued imperial decrees, the general lines of which are identical, announcing that, in accordance with their manifestoes of November 1916, they are bending every effort toward the immediate cre-

ation of a Polish State. Both rulers between the fact that "owing to the cruel war" it is impossible to grant Poland full autonomy. However, it gives them great pleasure to order the immediate institution of organizations of the Kingdom of Poland possessing legislative authority, so that the "main" direction of affairs of State may be left in the hands of a soi-disant national government.

1942: Guadalcanal Battle

WASHINGTON — [From our New York edition:] Retired Japanese troops are making determined efforts to recapture Guadalcanal in the most violent counter-offensive they have undertaken since the Americans conquered that island and six others in the strategic Solomon group after their landings on Aug. 7, but the marines are obstinately holding their positions, the Navy announced tonight (Sept. 15). A Navy spokesman said that intense fighting, raging for four days, is presumably continuing.

INTERNATIONAL HERALD TRIBUNE KATHARINE GRAHAM, ARTHUR OCHS SULZBERGER Co-Chairmen LEE W. HUEBNER, Publisher JOHN VINCIGUERRA, Executive Editor... 1992, International Herald Tribune. All rights reserved. ISSN: 0094-8052.



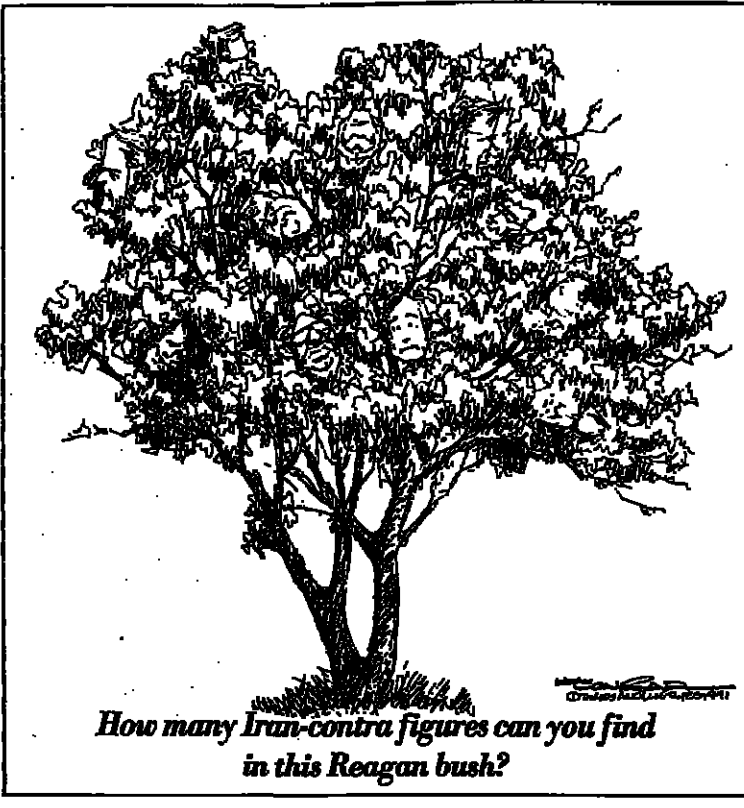
OPINION

Will We Let Bush Get Away With Iran-Contra Dodging?

By Anthony Lewis

BOSTON — When Bill Clinton snapped at reporters that instead of going on and on about his Vietnam draft status they should press George Bush about his role in the Iran-contra affair, Clinton supporters should have been uneasy. It is not a good sign when a candidate starts attacking the press.

But on Iran-contra, Governor Clinton had a point. We in the press have been dismally negligent in failing to pin President Bush down on what he knew and did — negligent for the last six years. Mr. Bush's position has been that he was uninformed and uninvolved as vice president when the decisions were made in 1985 and 1986 to trade arms to Iran for U.S. hostages. He said he was not aware then that Secretary of State George Shultz and Secretary of Defense Caspar Weinberger were opposed to the plan.



How many Iran-contra figures can you find in this Reagan bush?

The New York Times

Tilling the Valley of the Dry Bones

By Edwin M. Yoder Jr.

WASHINGTON — This is a story George Carey, the new Archbishop of Canterbury, has been telling on himself during his first official visit to America: He was on his way by train to an important meeting somewhere in England, dressed as you would expect the primate of the Church of England to be. He was wearing his splendid purple vest, his clerical collar, and an imposing pectoral cross. Across from him he noticed a girl absorbed in her Bible. He caught her eye. "I see you're reading the Bible," he said approvingly. "Are you a Christian?"

months ago, the press described him as the first Archbishop of Canterbury (he is the 103d since St. Augustine) to emerge from a working-class background. In fact, he strikes me as belonging to that classless Britain of which the two recent Tory prime ministers, Margaret Thatcher and John Major, are examples. He came late to the clergy; his background, originally, was in seminary teaching. It is his institutional ambitions that have revolutionary implications for the church; and he doesn't shrink from them. The church, as he puts it, needs to be "turned inside out." It needs a "Copernican vision," seeing the challenges to institutional religion not just in "the splendid work of the church but the equally splendid... wilderness of the world... where moral and ethical signposts are blurred or nonexistent."

LETTERS TO THE EDITOR

China, Iran and a Reactor

The announcement that China will supply a 300-megawatt power reactor to Iran (IHT, Sept. 12) has raised concern that Iran may use the project to develop both skills and a cover for an alleged secret nuclear bomb program, similar to that launched by its neighbor and adversary, Iraq, during the 1980s. Your report did not mention, however, that China will not likely be able to supply the reactor to Iran anytime soon unless Western governments allow their nuclear industries to participate in the project — an unlikely prospect, given current concerns about proliferation. Last year, China agreed to sell the reactor to Pakistan. Because of Pakistan's efforts to build a nuclear bomb, however, the governments of France, Germany and Japan did not let their industries transfer key equipment to the Chinese-Pakistani project that had been supplied to the Chinese prototype. This equipment included the reactor pressure vessel, instrumentation and control systems, and primary cooling pumps. Experts at the supplier firms and U.S. nonproliferation officials assert that, without the West's help, neither China nor Pakistan could make this equipment. While Pakistan is not a signatory to the Nuclear Nonproliferation Treaty, Iran is a party to it, and has formally committed itself not to develop, make or

possess nuclear weapons. For that reason, Iran asserts it should get access to power reactor technology and equipment from the West. But in part because the U.S. government remains concerned about Tehran's nuclear intentions, Washington has persuaded Germany, India, Spain and Argentina not to supply nuclear reactor equipment and technology to Iran. If Beijing's Western nuclear partners are now banned from working on the project, experts say, the reactor will not be finished anytime before the end of the decade. MARK HIBBS, Nuclonics Week, Bonn.

For a New Security Council

There has been much discussion recently on increasing the number of permanent members of the United Nations Security Council, so as to include major powers that have emerged after World War II, such as Germany, Japan and perhaps Argentina, Brazil or Mexico. But increasing the permanent members would render decision-making in the Security Council more difficult. It is therefore suggested that Britain and France surrender their permanent seats in favor of one seat for the European Community, which would be represented by each successive country holding the presidency of that 12-nation group. Japan could be given the remaining permanent seat. Temporary veto power could be given to each successive African and South American nation represented on the council at a given time. Such a sacrifice on the part of France

and Britain would be an important part and welcome incentive toward the creation of a united Europe. It also would be a decisive step in establishing an urgently needed common foreign policy for the Community. Lastly, it would be a resounding example for unity and harmony for the world. T. L. CHRYSANTHOPOULOS, Aeghion, Greece.

Chess and Foreign Policy

Since the U.S. State Department has a long tradition of making itself look ridiculous, no reason to stop now with the Bobby Fischer story. Apparently, playing a chess match in a resort in Montenegro is a gross breach of sanctions, with major criminal penalties. Of course, the steady stream of ships up the Danube carrying supplies to Belgrade is of no interest, since this would require actually doing something, the bane of all bureaucrats. How much simpler to sit at a desk in Washington and write threatening letters to a chess champion than to try to resolve the Yugoslav crisis. It falls in the same category as seizing Cuban cigars at U.S. customs: It is safe, costs nothing — and achieves nothing. Another Bush foreign policy achievement. LESLIE BOHMANN, Meggen, Switzerland.

The Clinton Draft Record

Regarding the news analysis "Draft Record Dogs Clinton" (Sept. 9): Maybe Bill Clinton was right to avoid the draft. Maybe the Vietnam War was

wrong. In retrospect, was it correct for the government to send 50,000 American troops off to die in a war against an economic ideology that crumbled of its own accord 20 years later?

Maybe Mr. Clinton understands the value of life. Maybe he realizes the senselessness of some wars given the constantly evolving nature of nationhood. Is it worth throwing away one's life for something so transient? I'm sure Mr. Clinton will be putting his life to better uses. ROBERT A. MARQUARDT, Luxembourg.

Does Mr. Clinton think that "we the people" are so stupid as to believe he knew nothing of his uncle's efforts to delay his draft? Veterans and families of dead or disabled veterans think before voting. Do you want a "shirker" as president? To misquote John Kennedy, Mr. Clinton is asking people to think what their government can do for them, not what they can do for their government. ELEANOR MENZEL-GIFFORD, Oberstdorf, Germany.

To President Bush and Governor Clinton: I don't care who is more religious, or more like Harry Truman, or who dodged the draft, or even whose wife makes the best cookies. Enough. I will vote for the one who can best provide for my country — by promoting economic stability. So stop talking about your not-so-perfect pasts and pointing fingers (we are not electing a pope) and start talking about what you'll do for the future of the country. KATHY McELVENNY, Genova, Italy.

The 'Party of God' Race

So the Republican Party now claims to be the "Party of God." Does this mean that the Bush League has joined the Hezbollah, meaning "Party of God," the Lebanese party of pro-Iranian Islamic fundamentalists? Or does it mean that the Hezbollah has been inducted into the Republican Party? PAUL E. PAQUIN, Innsbruck, Austria.

In a country where the divorce rate is higher than most, where mobility of families is characteristic of the working class, and where bigotry and prejudice is preached by sects against those whose beliefs are "different," the current Republican Party thrust to defend "family values" is as un-American as croissants and sushi. Let us hope that the conservation of "traditional" values does not lead Americans to support those who believe "love thy neighbor" should be replaced by "be thy neighbor's keeper." LEANDER W. SMITH, Paris.

The Monarchy Will Survive

The institution of the monarchy in Britain will survive. The current spate of yellow journalism and pious comments on motherhood and divorce may rattle the windows of the palace, but the foundations of constitutional monarchy have weathered worse times. THOMAS ROSENBERG, Roussillon, Vancluse, France.

air verdict Real French Resist

Risks

gle for the Right



Outside it's Great Britain.

Inside it's pure Sheraton.

Early morning, Green Park, London.

Morning paper, The Sheraton

'Bingo, We Got Him!' How Lima Police Found Their Man

By James Brooke
New York Times Service

LIMA — On a quiet suburban street here, residents might have detected unusually attentive service recently by street sweepers, telephone repairmen, water-meter readers, and linemen for the electric utility.

Blending into Lima's cityscape, detectives of Peru's intelligence police were preparing for what newspapers here proclaimed "the arrest of the century."

Almost a myth to a generation of Peruvians, Abimael Guzmán Reynoso, mastermind of Peru's 12-year-old Shining Path revolt, now sits as flesh-and-blood prisoner No. 1509 in a tightly-guarded cell of the National Anti-Terrorism Directorate.

"Bingo—we got him!" a police detective exclaimed when he recognized the features of a revolutionary glorified in Maoist iconography around the world. Compared with the airbrushed propaganda portraits, Mr. Guzmán appeared fatter, with a bushy beard streaked with white and gray.

According to police accounts that have appeared in the Lima press, the leadership stature of a man who calls himself President Gonzalo was instantly clear to

the 35 detectives who burst into the two-story green stucco house.

Surprised without his security detail, Mr. Guzmán was immediately protected by several unarmed followers who threw their bodies on his to protect "The Fourth Sword of the Revolution" from expected police bullets. Several of these human shields turned out to be members of the Shining Path's central committee.

But the police fired only a few warning shots in the air. To Peru's government, Mr. Guzmán, 57, is far more valuable as prisoner 1509 than as a martyr.

"Police now have to avoid any suicide attempt, because by dying in their hands, Guzmán would become a martyr for his followers," said La Nación, a newspaper.

The detectives who tracked down Peru's most-wanted man were not talking about how they learned that Mr. Guzmán was living at 439 First Street in Surquillo, a middle-class residential neighborhood of Lima. The detectives are expected to share in a \$1 million award for Mr. Guzmán's capture set up this year by a business anti-crime association.

"The Shining Path movement has been infiltrated,"

Colonel Alberto Pinto Cardenas, director of army intelligence, said in an interview. "We put out reports that Guzmán was in Europe to give him confidence."

In the 1970s, Mr. Guzmán's base of operations as a college professor and above-ground political organizer was in the Andean city of Ayacucho. But in recent years, confiscated videotapes and information provided by informers have placed him in Lima, on Peru's Pacific Coast. In one raid in Lima two years ago, the police apparently missed arresting him by minutes.

Officials said that in late August, informants' tips led to the house on First Street.

About three months earlier, they said, a ballet instructor and her brother bought the house for \$40,000 from a couple that moved to Venezuela. Only two blocks from a police station, the house had an enclosed attached garage, which would have allowed Mr. Guzmán to enter and leave unobserved if hidden in the trunk of a car.

Surveillance of the house revealed that the garage was used to house a green car with tinted windows, preventing passers-by from looking in.

The police would not say how they obtained conclusive evidence that Mr. Guzmán was in the house. But

fearful of letting him slip away, they decided to move on Saturday.

Unable to maintain surveillance over the weekend with agents pretending to be city workers, the police said that they sent detectives disguised as street peddlers and ice cream vendors through the neighborhood. To move a large number of agents into the area, a police officer who lives a few houses down the street staged a noisy backyard barbecue.

According to the officials' accounts, one police couple was stationed in a car parked across a street, where they caressed and took swigs on a bottle of beer. After nightfall, the couple saw their opening when a young woman stepped out of Mr. Guzmán's house to buy a pack of cigarettes. When the door reopened to let her in, the woman was almost trampled by 35 heavily armed agents of Peru's anti-terrorist squad.

Minutes later, General Antonio Ketin Vidal Herrera, director of the anti-terrorist unit, found himself face-to-face with his longtime adversary, Mr. Guzmán.

"My turn to lose," the fugitive reportedly said. Ending a 12-year cat-and-mouse game, he stretched out his wrists to be handcuffed.

AMERICAN TOPICS

Big Brother Knows Just Where You Are

Yet another device that helps management keep track of employees is expected to be on the market next year. The New York Times reports. It is the "active badge," a clip-on micro-computer about the size of an employee identification card. The badge emits a coded infrared beam every 15 seconds to a network of wall-mounted sensors around a building giving the location of its wearer.

A central computer screen displays the name of every badge wearer, the nearest telephone extension, the room where the person is, the number of other badge-wearers in the room and the approximate length of time the badge wearer has been there.

Many people, The Times reports, see the badges as an Orwellian intrusion. They compare the badges with monitoring devices already widely in use that can quantify the number of key strokes on a terminal or pick up voice and computer mail messages.

Roy Wain, who invented the active badge while working for Olivetti in Cambridge, England, and is now a researcher with Xerox in Palo Alto, California, commented, "It's in your interest as a professional to stay in touch with your colleagues."

Short Takes

Why do some marriages last for years and years even though the husband and wife clearly detest each other and the children are long gone? For four main reasons, Robert Sternberg, a Yale University psychology professor: (1) Attachment, or love of habit. (2) Fear. A known evil can be preferable to an imaginary evil. (3) Secret rewards. Some people like to fight, to relate their miseries to their friends or to tell themselves that they deserve this. (4)

Love. "If you really love someone, you can tolerate the fact that you also hate him."

Bryan Norcross, a Miami television weatherman, has become a hero of sorts following last month's destructive hurricane. The New York Times reports. At least a dozen Dade County residents have spray-painted "Norcross for Governor" or "Norcross for President" on their wrecked houses. In 22 consecutive hours on simultaneous television and radio as the hurricane approached, Mr. Norcross, a trained meteorologist, told people with collapsing roofs to huddle in bathtubs with mattresses over their heads. Before the storm hit, one local TV weatherman encouraged viewers to relax; another confided that she had not bothered to put her lawn furniture away. For years, Mr. Norcross, 41, had attended hurricane conferences. He produced five hurricane specials. "Bryan did his homework," said Robert C. Sheets, director of the National Hurricane Center in Coral Gables, Florida.

Why do humans spoil if you put them in the refrigerator? They don't, according to the "Why Things Are" column of The Washington Post, despite the old Chiquita Banana radio commercials. The peels turn black because the cold temperature of the refrigerator kills the surface cells. But the edible part stays perfectly fresh.

Last week's hard-fought 17-17 tie between the Notre Dame and University of Michigan football teams reminded the Los Angeles Times of Notre Dame's inspirational slogan, "Go out and win one for the Gipper," which Coach Knute Rockne attributed to Notre Dame's legendary back, George Gipp, when Gipp was on his deathbed. The Times recalled that when Notre Dame played a much less hard-fought game with Michigan State in 1966, deliberately playing for a 10-10 tie as time ran out, the Times sports columnist, Jim Murray, wrote, "Tie one for the Gipper."

Arthur Higbee

Bleary Weather 'Eyes' Hamper U.S.

By William J. Broad
New York Times Service

NEW YORK — The United States is facing heightened danger from hurricanes because delays in modernizing its weather satellites are forcing the use of spacecraft so antiquated and poorly positioned that they raise the risk of forecasting errors, federal scientists say.

The new limitations were driven home when a satellite instrument that helps gauge a storm's likely path was unable to view the critical area around a hurricane that took an unforeseen turn Friday as it bore down on Hawaii.

Because last month's hurricane that hit Florida and Louisiana moved in a straightforward way, experts say, timely warnings and evacuations were possible despite the satellite shortcomings.

Federal scientists say the new danger arises because the nation is short of weather satellites equipped with sounders. In contrast to an imager, which takes pictures, a sounder measures temperatures in the atmosphere and, importantly, the steering winds that help determine a hurricane's path.

Of two American weather eyes normally on duty 22,300 miles

above Earth, one satellite with a sounder has already been lost. The other, GOES-7, passed its five-year predicted lifetime in February.

GOES stands for Geostationary Operational Environmental Satellite. The government hopes that GOES-7, out of maneuvering fuel and beginning to drift, will last months and perhaps years longer.

In any case, its current position at 112 degrees longitude, monitoring weather over the central and western United States, leaves it unable to see the hurricane breeding grounds of the Atlantic or, for that matter, deep into the Pacific.

In normal times GOES-7 would be positioned farther west, with a better view of the Pacific. But the equipment crisis has forced officials to shift satellite positions.

Five replacement satellites, known as GOES-NEXT, costing a total of \$1.7 billion, have advanced sounders, but a series of technical failures has delayed the first launching from 1989 to 1994.

To avoid an emergency in which forecasters have no pictures from high-flying spacecraft, the Bush administration is borrowing old weather satellites from Europe, which has a surplus.

Relief Agency Short of Cash

Los Angeles Times Service

WASHINGTON — The Federal Emergency Management Agency, sorely needing fresh cash from Congress, has had to temporarily hold back \$80 million in assistance payments to riot-torn Los Angeles and 20 other disaster areas so that checks can be rushed to individuals hit by the hurricane in Florida and Louisiana.

Grant Peterson, associate director of the agency, said that payments had been suspended for the past week to communities being reimbursed for repairs, debris removal, and other urgent needs. "I'm down to \$54 million in my bank account and I have \$510 million worth of legitimate requests on my desk," he said.

Congress is expected to act soon on President George Bush's request to provide \$2 billion to the agency and \$5.6 billion for other hurricane costs. Meanwhile, the agency is short of cash after a record 46 disasters the president has designated for federal relief this year.

U.S. Decides Not to Order Toddler Safety Seats in Air

By Don Phillips
Washington Post Service

WASHINGTON — The Federal Aviation Administration has rejected a recommendation that it require child safety seats on airlines but has ruled that airlines must at least give parents the option of using the restraint devices for children under 2.

The agency said its analysis showed that many low- and middle-income people would be unable to fly if their costs were raised by being required to buy an extra ticket to accommodate the seat and that more infants would die on highways when their parents opted to drive instead of fly.

Children under 2 may now fly free if they are held on parents' laps. An estimated 5,000 to 10,000 of them fly each day.

The rule goes against the recommendations of the National Transportation Safety Board, the Association of Flight Attendants, the airline industry and several members of Congress, who said that allowing babies to be held on laps could be deadly in strong turbulence or crashes.

"Everything in the plane must be secured," said David Melanson, a spokesman for the flight attendants. "Why not babies?"

The Air Transport Association, which represents major airlines, had recommended that the seats be mandatory, but the industry had stopped short of imposing a rule. Such a policy would amount to a major fare increase for families, something that might not be feasible in an industry that has trouble raising any fares by any amount.

An association spokesman, William Jackman, expressed disappointment at the final rule, saying, "Our rationale was that if it was a safety issue, it should be mandatory."

The rule, effective in mid-October, requires airlines to allow the seats on board. The safety seats for infants and toddlers now approved for automobiles are also certified for airplane use.

The decision followed a number of incidents in which flight attendants refused to allow the seats, saying it was airline policy that parents hold toddlers and infants in their laps. All airlines now have policies allowing the seats.



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China Gives Army New Riot Orders

The Lessons of Tiananmen Are Summed Up for Troops

BEIJING — The Chinese army, which killed hundreds of pro-democracy protesters in 1989, has been issued standing orders to deal with any new outbreak of civil unrest with measured escalation from warnings to opening fire.

The orders appear to sum up three lessons the army learned when it crushed the demonstrations in and around Tiananmen Square three years ago: Any unrest must be stopped at its earliest stage, with the minimum use of force and out of sight of the foreign press.

The orders do not rule out the use of live ammunition. While Tiananmen Square was a blow to the prestige and morale of the People's Liberation Army, the new orders, obtained from Chinese sources, disclose that the military will again be the Communist Party's main weapon against unrest.

The orders make it clear that the army does not want a repetition of 1989, when thousands of Beijing residents clamored over troop carriers and blocked roads for days to try to stop the army from reaching the center of the capital.

Now, if protesters block the army's way as troops move into position to suppress unrest, officers must immediately issue warnings. "If the warnings are not obeyed," the orders say, "use batons, tear gas, and other such methods to force them to disperse."

"Remove or capture those who continue to block the way or who wantonly incite or carry out violence," they say. "When there is no alternative, use firearms according to the regulations to forcibly manage the situation."

The army may use real bullets if its way is blocked, if key installations or the lives of soldiers are threatened, if those rebelling steal weapons or ammunition or if the army faces arson, murder, explosions or serious threats to lives or state property.

If it uses real bullets, the army must under normal circumstances fire singly and not in bursts. It must not fire wildly, shoot into crowds or at children or pregnant women.

The new orders, issued on May 15, 1992, by the three General Departments of the People's Liberation Army, leave no doubt that the Communist Party is relying on the military to preserve its rule.

"The objectives and goals for the Chinese People's Liberation Army in defending against rebellion are: assist the People's Government in swiftly cowing the rebellion into submission and pacifying it, restore social order to normal, protect the lives and property of the people, preserve the unity and stability of the nation and guard the leadership role of the Communist Party and the socialist system," the orders say.

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WOMEN AND CHILDREN FIRST — Mainland Chinese women who entered Taiwan illegally after marrying Taiwanese bringing their children to the parliament in Taipei on Tuesday as they petitioned deputies to prevent authorities from deporting them.

Saigon's Last Victims, Its Forgotten Officers, Arrive in U.S.

By Seth Mydans
New York Times Service

WESTMINSTER, California — The men who missed the helicopters fleeing Saigon in 1975 are finally arriving in the United States — high-ranking South Vietnamese officers and officials who have spent much of their lives since then in Communist prison camps.

They are the last and saddest wave in a 17-year flood of Vietnamese refugees that first included their luckier comrades, then a tide of "boat people," and then thousands of the half-Vietnamese children of U.S. servicemen.

More than 50,000 former prisoners and family members have arrived in the United States since the start of 1990 under an agreement with the Hanoi government. Many of them are broken in health and in spirit and are unable to find jobs or to adjust to their new lives.

The new arrivals are among the final stragglers of the war, the emotional equivalent for the South Vietnamese of America's missing in action.

"I am a soldier, so if nobody tells me to leave Vietnam it is difficult for me to leave," said General Tran Quoc Lich, who stood his post and spent 13 years in an internment camp, arriving in California in December, three years after being freed.

"I wish to work for a living," said General Lich, whose last command was as an inspector general of IV Corps in South Vietnam. "I ask for work, but they say, 'Sorry, wait,' because there is no place, no job, for me."

By the time the waiting lists are exhausted three years from now, American officials estimate, they will have accepted 100,000 former prisoners and family members under the new release program.

Already, the flood of refugees has shrunk to a trickle, and the program bringing in the children of American servicemen will be completed soon, helping to push the Vietnamese population of the United States past 1 million. No longer will most be refugees; instead, they will simply be immigrants seeking to join families.

The profile of the former prisoners is similar to that of the first and most successful refugees from Vietnam: military officers, government officials, and

professional men and women with ties to the United States, said Shep Lowman, a policy analyst with the refugee program of the U.S. Catholic Conference.

But now they arrive bearing the burden of passing years and prison hardships, at a time when there are fewer refugee assistance programs or job opportunities to sustain them.

Many expected to be welcomed as heroes, and there was a widespread rumor among them that the United States would provide back pay for their years in prison camps, said Yen Ngoc Do, editor of the Vietnamese-language daily newspaper Nguoi Viet.

They have come prepared to show the courage of the former soldiers of South Vietnam, Mr. Yen said, "but they are showing themselves only as a group of misfit people. Their political and military past has been totally forgotten."

This has led to flashes of friction between the recent arrivals in Westminster in the Vietnamese community known as Little Saigon and the now-successful men who left them behind.

"The high-ranking officers are afraid to face us, because most of them told us to stay back and fight

the Vietnam," said Nguyen Le Kinh, 55, who was a captain and said he served 6 years, 7 months and 11 days in an internment camp.

Like other prisoners, he said, he suffered humiliation and hardship in his homeland after his release.

For many residents of Little Saigon, a bustling community of Vietnamese malls and markets 30 miles (45 kilometers) south of Los Angeles, the new arrivals bring with them an unwelcome breach of tragedy.

Within the emigre Vietnamese world here the former prisoners refer to themselves as "H-O" refugees, from the bureaucratic designation given to them by the State Department. Each successive group in the program was dubbed HO1, HO2, HO3 or HO4, and the refugees' new label became for them a symbol of their fate.

"In Vietnamese, he means 'alas,'" said Nguyen Duc, 55, a former army captain. "I tell my wife often when she is depressed that in English 'H' means 'hope' and 'O' means 'opportunity,'" he said. "But it is really too late for us. We are old. Our health is broken, especially our mental health."

INTERNATIONAL FUNDS

Advertisements for various international funds, including names like 'ASSET MANAGEMENT (IRELAND) LTD', 'GLOBAL INVESTMENT & SERVICES CO (ECU)', and 'BROADGATE INTERNATIONAL FUND'. The text includes details about fund types, such as 'Equity', 'Bond', and 'Money Market', and provides contact information for Simon Osborne.

Table listing various international funds with columns for fund names, types (e.g., Equity, Bond, Money Market), and numerical values. The table is organized into sections like 'INTERNATIONAL FUNDS' and 'Other Funds'. It includes a list of fund names such as 'ASSET MANAGEMENT (IRELAND) LTD', 'GLOBAL INVESTMENT & SERVICES CO (ECU)', 'BROADGATE INTERNATIONAL FUND', and many others. Each entry typically includes a fund name, a type of investment, and a numerical value representing the fund's performance or price.

For information on how to list your fund, fax Simon OSBORN on (33-1) 46 37 21 33.

AS - Australian Dollars; AU - Austrian Schillings; BF - Belgian Francs; C - Canadian Dollars; DM - Deutsche Mark; ECU - European Currency Unit; FF - French Francs; G - Gibraltar Dollars; H - Hong Kong Dollars; L - Luxembourg Francs; M - Mexican Pesos; N - New Zealand Dollars; P - Pounds Sterling; S - Swiss Francs; T - Taiwan Dollars; U - U.S. Dollars; Y - Yen; Z - Zairean Shillings; A - Amsterdam; B - Brussels; C - Copenhagen; D - Dublin; E - Edinburgh; F - Frankfurt; G - Geneva; H - Hong Kong; I - London; J - Luxembourg; K - Lyons; L - London; M - Madrid; N - New York; O - Oslo; P - Paris; R - Rome; S - Stockholm; T - Taipei; U - Utrecht; V - Vienna; W - Warsaw; X - Xofre; Y - Yofre; Z - Zofre.

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CRIMINAL NUMBER 91-0655 (JHG)

NOTICE OF FORFEITURE

Notice is hereby given that on July 29, 1992, in the above-captioned case, the Honorable Joyce Hens Green, United States District Judge for the District of Columbia, entered an Order condemning and forfeiting the following properties to the United States of America:

Table with columns: Account No., Account Name, Approx. Balance. Lists various bank accounts and assets of the defendants.

The Order of Forfeiture having been entered, the United States hereby gives notice of its intention to dispose of each of the forfeited properties in such manner as the Attorney General of the United States may direct...

The petition shall be signed by the petitioner under penalty of perjury and shall identify the particular property or properties in which the petitioner claims a legal right, title or interest...

A hearing on the petition shall, to the extent practicable and consistent with the interests of justice, be held within thirty (30) days of the filing of the petition...

Your petition must be filed with the United States District Court for the District of Columbia in Criminal No. 91-0655 (JHG) at the following address:

3rd and Constitution Ave., N.W. Washington, D.C. 20001

Furthermore, you must serve the United States Department of Justice with your petition at the following address:

Asset Forfeiture Office P.O. Box 27322, Central Station Washington, D.C. 20039

And you should mail a copy of the petition to court-appointed fiduciaries as follows:

Michael Nussbaum, Esq. Nussbaum & Wald Suite 208 One Thomas Circle Washington, D.C. 20005

IF YOU FAIL TO FILE A PETITION TO ASSERT YOUR RIGHT, TITLE OR INTEREST IN THE ABOVE-DESCRIBED PROPERTY WITHIN THIRTY (30) DAYS OF THIS NOTICE, YOUR RIGHT, TITLE AND INTEREST IN THIS PROPERTY SHALL BE LOST AND FORFEITED TO THE UNITED STATES...

U.S. Lost Jet in Gulf War, Officer Says

WASHINGTON — An Iraqi warplane shot down a U.S. Navy fighter in the Gulf War, a senior navy intelligence officer said, contradicting Pentagon assertions that no American aircraft were lost in aerial combat in the 43-day war.

That the F/A-18, piloted by Lieutenant Commander Michael S. Speicher, was shot down by an Iraqi MiG-29 on Jan. 17, 1991, at the beginning of the air war, Commander Speicher was killed.

Since the end of the war, the military has significantly revised glowing performance reports, leading to accusations that the Pentagon misled the public.

HEAT: Sun Is the Enemy

(Continued from page 1)

surface absorbs the pounding rays of the sun. Fiery jet blasts throw out torrents of fumes and grit. And the stifling humidity drenches the deck crews...

"We fill up the water cooler two to three times an hour," Lieutenant Valentine G. Cumberbatch, an assistant flight deck officer, said.

There is frenetic activity on the deck, where gray F-18 Hornets and F-14 Tomcats are hooked up to one of four catapults every few minutes.

Pilots, who step onto the blistering deck wearing some 40 pounds (18 kilograms) of equipment, acutely refer to the abrupt landing as a "controlled crash."

But it is the "snipes," or engineers, who run the engines, boilers and generators deep in the bowels of the 33-year-old vessel who live in the ship's inner circle of fire.

Here, 25 feet below the waterline, in a world where temperatures routinely climb to 140 degrees, men must sally out of a dark control booth into a maze of pipes to do battle with leaky joints and faulty boiler plates.

The chains and metal railings that help steady ascents and descents on ladders and ramps burn to the touch. The air is laden and thick.

"I see people come out of the engine spaces soaked," Dr. Deakins said. "You could probably bring a quart or two out of their coverts."

The carrier is due to leave in a few days for its home in Yokosuka, Japan, after nearly four months in the gulf. It will be replaced by the carrier Ranger.

On the return voyage, the ship will make at least one stop, perhaps in Hong Kong or Thailand, and many on board say they will immediately set out to find hotel rooms.

"You get to sleep in a big bed," said Boatwain's Mate Kevin R. Maillet. "You get privacy and quiet. You don't have to listen to 40 guys coming in. And it's cool."

Britain Bans 2 Vaccines For Childhood Diseases

Health authorities on Tuesday withdrew two brands of vaccine used to protect babies against measles, mumps and rubella after studies showed links with a mild form of meningitis causing a fever, vomiting and general malaise.

The Department of Health said the risks were slight, with only 1 in 11,000 children given the vaccines likely to become ill. The two vaccines withdrawn were Pluserix-MMR and Immravac.

DEAL: U.S. and Israel Negotiate Package to Bolster Military Cooperation

(Continued from page 9)

pects of the package, officials said. They are to begin work this week.

One committee would discuss storing \$200 million worth of U.S. military stocks in Israel for the Israeli Army to draw on in a crisis. This program was already approved by Congress in 1990, as part of a three-way deal in which the United States forgave Egypt's \$5 billion military debt and Saudi Arabia received arms.

But the deal was never carried out because the Pentagon was uncertain about its future budgets following the Cold War and therefore did not know how much equipment it could store abroad. U.S. officials say they now have a better picture of the global disposition of forces and are ready to discuss how to carry out the three-sided plan.

The same committee is also expected to consider storing in Israel enough equipment to stock an entire U.S. combat division, should one have to be rapidly deployed to the Middle East. If implemented, such an arrangement would have great value for Israel, as well as a material one, since it would underscore the ability of U.S. troops to rush to Israel's defense.

A second committee would deal with Israel's request for \$700 million in older, surplus U.S. military stocks in Europe, which are being made available to U.S. allies as the U.S. military shrinks certain units. That, too, was legislated in 1990, but never carried out.

The problem now is that Israelis hoped that

after the Cold War there would be a retirement of some sophisticated equipment by the U.S. military, but that has not happened yet. The kinds of weapons that Israel is interested in, like Apache attack helicopters, are not being made available. Indeed, the Pentagon itself is trying to acquire more. The lower-technology items are of less interest to the Israelis.

A third committee will discuss how to tie Israel into the proposed Global Protection System, a combination of ground-based and space-based early warning radars that would provide quick warning of any hostile missile launchings. The United States initially proposed the system to the Russians, and has been signing up other nations to take part. Israeli officials say they are eager for improved intelligence cooperation to deal with the increasing missile threat from neighboring Arab countries.

The fourth committee will look at ways of enhancing cooperation between the armed forces of the United States and Israel. This committee will also address Israel's request for a long-term commitment of \$1.8 billion in U.S. military aid that is now legislated annually, so that Israel's military industry could make better investment plans.

Normally, all such military aid is supposed to be spent in the United States on U.S. weapons, but the Israelis are allowed to spend \$475 million of it annually in Israel on their own homemade weapons system, and this is an important source of funds for Israel's military-industrial complex.

The fifth committee will examine ways of

enhancing high-technology military cooperation. This is a key element for the Israelis. Mr. Rabin does not want 72 F-15s for Israel, and could not afford them. What he wants, say Israeli officials, is an answer to the problem of how Israel can deal with Arab arsenals stocked with sophisticated U.S.-made weapons similar to Israel's.

For that, Israel wants to buy U.S. technology that it can modify to develop homegrown systems far superior to Arab arms.

U.S. officials say that they are ready to consider providing Israel with the technology cooperation the United States has with its North Atlantic Treaty Organization allies, who are given early involvement in U.S. weapons designs.

But there is also a downside for the Israelis in this form of enhanced cooperation. The more advanced American technology they are given, the more they will have to agree to restrict their own weapons sales to third parties, so that the U.S. technology does not fall into the hands of others. That could cost Israeli aircraft and arms manufacturers a number of contracts.

The administration sent to Congress on Monday the formal notification of its plans to sell the F-15s to Saudi Arabia. Under federal law, Congress now has 30 days to reject the Saudi sale or let it go forward. With both the Democratic and Republican leadership in Congress having endorsed the proposed sale, which will provide \$9 billion in revenues and 10,000 jobs, no serious objections are expected to be raised.

EUROPE: Dream of Unity Fades

(Continued from page 1)

liers, the centrist opposition politician who claims to speak for France's silent Catholic majority, will create "a wall of institutions" and "a wall of the rich" that will perpetuate the division of East and West.

Mr. de Villiers and other anti-Maastricht voices ridicule the notion of ensuring chaos if the treaty is spurned and say the Community will survive perfectly well with existing plans and institutions, including the single continental market embracing 380 million people that is set to come into effect at the end of the year.

The Community's failure to halt the spreading civil war in the Balkans is often cited by French voters questioned by pollsters as a key reason why they are opposed to the treaty.

Foreign Minister Roland Dumas

Odds Are Cut On 'Yes' Vote

London — Ladbrokes on Tuesday slashed its odds on a "yes" vote in the upcoming French referendum on the Maastricht treaty after a flurry of betting that it would be endorsed.

The odds for a "yes" were cut to 1 to 5 from 2 to 5, while punters betting on a "no" vote could get 3 to 1.

"We have been swamped with bets for a 'yes' vote since first thing Monday," the bookmaker said.

British voters, if given the chance, would reject the treaty.

Even more striking is evidence that a referendum would also fail in Germany. Polls find nearly 70 percent of German voters now believe it would be a mistake to sacrifice the powerful Deutsche mark in favor of an untested single European currency by the end of the decade — one of the most important goals enshrined in the treaty.

Iran Says West Is Fanning Crisis

Nicosia — Iran, locked in a growing dispute with Arab states over control of three Gulf islands, accused the United States and Britain on Tuesday of provoking the conflict.

"Anything," the religious leader, Ayatollah Sayed Ali Khamenei, said the Western powers had fanned the crisis with the United Arab Emirates to justify the presence of their military forces in the region.

President Hashemi Rafsanjani, speaking before Ayatollah Khamenei in a meeting to celebrate the birthday of the Prophet Mohammed, repeated Tehran's position that it had not changed its attitude towards Abu Musa and the Greater and Lesser Tumb islands.

Iran moved into the three islands in 1971 when Britain was withdrawing from the region and the United Arab Emirates was being formed.

Locusts Imperil Madagascar

ROME — A plague of locusts threatens to cause more famine in Madagascar, the UN Food and Agriculture Organization says. It estimates that the migratory insects could destroy a million hectares (2.5 million acres) of drought-battered Madagascar's food crops.

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Cameras Retain Magic Power To Freeze a Dramatic Moment

Camera technology has advanced greatly over the years, but today's digital imaging systems and the original "camera obscura" of the 1500s have one thing in common: They attempt to preserve an instant of time and space in two dimensions.

By allowing us to step back in time to study an instant that would otherwise have been lost forever, photography has transformed the way we enjoy and understand our world. For this reason, and in spite of movies and video, still cameras will continue to find favor.

But our expectations of photography have dramatically expanded with the introduction of better-quality films and camera features. Today, high-speed, low-grain films are available for cameras complete with power film loaders and winders, automatic aperture and shutter control, autofocus and even remote control. The modern camera can do everything but select the subject.

Still cameras fall into three major categories: the disposable cameras recently introduced in Japan — simply film with a lens; the point-and-shoot camera, including highly sophisticated 35mm cameras used by professional photojournalists; and the larger single lens reflex preferred by many professionals.

Disposable cameras were introduced in Japan about six years ago and an estimated 60 million units will be sold there this year. Models are now available with built-in flashes, panoramic lenses and waterproof cases.

The more permanent non-SLR cameras also offer point-and-shoot simplicity, but with superior results. Models available span the price-feature range and put quality photography in the hands of even the most inexperienced. Typical of the latest models are Konica's Big-Mini, touted as the world's smallest and lightest fully automatic 35mm, and the Hexar, with silent operation, sophisticated autofocus and a bright 6-group, 7-element F/2.0 lens.

But it is SLRs that have undergone the greatest advances in recent years. The cameras with the least automation but the highest quality continue to be large-format cameras like the 6cm-format models made by the likes of Hasselblad, Pentax, Bronica, Rollei, Ricoh and Mamiya. Very large format, billowed cameras also remain popular among some, especially portrait photographers, but owing to their complexity and cost, most of these products are limited to professional studio work.

For the average cameraman on the go, including photojournalists and tour-

ists, the 35mm camera has really taken the field. British photographer Malcolm Jones of Falcoln PR, for example, says he prefers fully manual photography and large-format cameras but, for reasons of cost, owns Canon F-1s.

His sentiments on manual operation are common to professional photographers. "You need to focus on the fundamentals of using a camera," he says. "After a while, you automatically know what to do. There are some situations, like rock and roll concerts, when you can't keep up with the changing conditions. That is when I let the camera make some of the exposure decisions."

He and other professionals complain that today there are often so many features that consumers get confused. The professional's need for precise control causes many camera makers to limit the types of professional cameras they produce and always to offer manual override.

After the introduction of automatic exposure and focusing, perhaps the most

amateurs, allowed consumers to view their pictures instantly on television.

But the latest and most potentially dramatic change in the way photographers think about pictures is the gradual introduction of digital imaging. For example, Konica's KC-DX1 and Rhythm Watch's Visimo do away with film and use a system that stores the image on integrated chips. Similarly, Kodak's DCS-100 and DCS-200 systems for Nikon's F-3 and 8008 (801 in Japan) allow users to route their photographs directly into a computer for processing.

Nikon claims its system proved it can meet the information-hungry world's needs during the Summer Olympic Games by enabling Japanese photojournalists to transmit their photographs directly from their cameras to their publishers by satellite, circumventing the traditional development stage.

Kodak has just introduced a system for storing photographs on compact



The fan-tailed warbler caught posing on two blades of grass (left) by the Japanese photographer Minoru Honma was one of the winners of the 1991 Olympus International Photo Contest. There were 34,561 entries from 72 countries. Entries for this year's contest, open to amateurs and professionals, must be received by October 31, 1992. Details are available at photo shops. The photo on the right, "North American Indian," was taken by Edward S. Curtis early this century. It is part of a collection that Christie's expects to sell next month for at least \$150,000.

Quietness and Speed Win Awards

Every industry has its awards, and photography is no exception. Perhaps the best-known are the European Photo Awards, which have existed for 10 years now and involve magazines from 13 countries.

Here are the 1992 prizewinners, all of which will be on show at Photokina.

The Camera of the Year award has been taken by the Minolta Dynax 9xi. Minolta was the first company to introduce workable automatic focus to the single lens reflex camera, and this is its flagship model, aimed at both the keen amateur and the professional. It boasts the fastest top shutter speed available, at 1/12,000 second. The camera's other strong point is its super-fast autofocus system.

The Compact Camera of the Year is the Konica Hexar, a model styled along the lines of the prestigious Leica rangefinder cameras and with a quality 1/2 lens. It marks a return to old-fashioned virtues — manual control and quiet operation — but with the advantages of modern electronics technology.

Pentax pioneered the now popular market in zoom compacts and takes the Zoom Camera of the Year award with the weatherproof Zoom 90WR. This is another compact with high-quality optics — a 38-90 mm motorized zoom.

The Lens of the Year award goes to Tamron's SP 35-105 mm zoom, which offers a constant (and fast) 1/2.8 aperture. This is all packed into a compact unit, undreamed of a few years ago, and represents all the commonly used focal lengths in a high-quality product.

Innovation of the Year has been awarded to Canon's EOS Silent Concept, which uses up-to-the-minute technology to reduce the obtrusive noises arising from the increased motorization of cameras for focusing and film winding. At times, this has threatened to turn photography into a public nuisance. By using ultrasonic motors, which make noise at a frequency we cannot hear, and damping moving parts, Canon has brought peace back to the snapshot. C.D.

Photography Auctions New York

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10:30 a.m. and 2:30 p.m. PHOTOGRAPHS AND PHOTOGRAPHIC LITERATURE Department
Early 19th Century Photographs, 20th Century Photographs by Edward Curtis, Dallas, Missouri, 1920s-1930s, Brazil, 1930s, 1940s, 1950s, 1960s, 1970s, 1980s, 1990s, 20th Century Photographs, Illustrated Catalogue
254 Collector's Society, October 10 • Tuesday, October 12. For information, and to receive complimentary to one Spring 1993 auction, please contact Daily Register, Director of Photography.

CDs Able to Capture Pictures Take Center Stage at the Fair

Photokina, held every two years in the huge exhibition halls at Cologne, is the world's biggest showcase for all that is new in photography.

Aisles totaling 40 kilometers (25 miles) weave their way around the stands of some 1,400 exhibiting companies, and the whole is an awesome prospect for the visitor who wants to see everything.

From time to time, the official title of the show has been amended to reflect the changing nature of the imaging business, and this year's new title reflects the rapid developments taking place within the industry. The 1992 Photokina is entitled "The World Fair — Imaging, Sound & Professional Media," and it runs until Sept. 22.

Perhaps the greatest implication of the new title is the increasing overlap between photography and audio. Electronics have been invading photography ever since the days when cameras began to carry their own light meters. But since the mid-1980s, this partnership has developed at breakneck speed, to the extent that "electronic image capture" — the replacing of conventional film with a light-sensitive microchip — is expected to become as commonplace in still photography as it already is in

movies and television.

For the time being, the low cost and high image quality of silver film assure its future in cameras that are otherwise fully electronic, providing total automation of all functions from focusing to exposure control.

Audio first developed a major presence at Photokina in 1990, when it occupied a hall next to the main exhibition. For 1992, the organizers see no reason to continue this demarcation. The two markets have grown together, and several companies, including Sony, were forced to take two stands.

The link with audio has grown with the mushrooming user-base of computers, both at work and at home. The photographic industry predicted long ago the coming of "multimedia," an extension of the idea of the music center in which each home would have a unit offering television, video, telecommunications, computing, audio, an electronic library, computer games and — with the coming of electronic imaging — photography.

A digital image is already in the electronic for-

mat that a computer can recognize, and there is plenty of software available for importing the pictures to publishing programs or manipulating the image to alter its content or color. Photographs can be sent down a telephone line to friends or relatives with a similar system for viewing on a television screen or to be printed out as a "hard copy."

At the heart of multimedia is the need to handle and store large quantities of information — whether it be audio, images, or a complete set of the Encyclopaedia Britannica. In many ways, the best current format for this is the compact disk: it is small, durable and can carry as much data as about 2,000 computer floppy disks.

As a bridge between electronic and conventional photography, Kodak (in association with Philips) is introducing Photo-CD. A Photo-CD can store 100 35mm-format photographs in digital form at high resolution. This provides image quality good enough for most purposes, other than extreme enlargements.

The Photo-CD player will also play audio CDs and could be linked to either a television or a computer. The intention is that the laboratory that processes the film will also offer a Photo-CD service. Philips has its own disk-based system called CD-I ("I" for Interactive).

It remains to be seen how well Photo-CD takes off in the consumer market, but since it was announced about two years ago, professional photographers and operations such as picture libraries have been discussing the possibilities of the format for the archiving and distribution of pictures.

There is no doubt that the emphasis at Photokina is firmly electronic. Not only do electronics offer the novelty needed to ensure that photography competes successfully for its share of our spending money, but electronics are also the route that will integrate photography further into a society that is becoming increasingly visually — rather than verbally — informed.

Chris Dickie



Photos as Art Keep Value

Thanks in part to lower prices relative to other works of art and supported by an international trend in institutional acquisitions, photographs have been able to command consistent prices in the otherwise uneven art market of recent years.

The consensus among international dealers and collectors is that photographs are holding their own and even doing better. Jayne H. Baum of the Jayne H. Baum Gallery in New York City, which handles contemporary photography by artists such as Suzanne Bloom and Ed Hill, John Divola, and Ellen Carey, reports that "interest in photography has been as strong as ever, and in fact began to increase in late May and early June compared to last year."

One of the latest places dedicated to international photography is the Maison Européenne de la Photographie, a new Paris museum devoted to recent photography. Through the Pace/MacGill Gallery of New York City, the French institution acquired 40 prints by Irving Penn and a set of prints by Robert Frank.

The gallery's Peter MacGill also points to a sale his gallery arranged to a private foundation in Spain as an example of the international trend in acquiring works by top photographers. It purchased large groups of works by various artists (including Penn and Frank as well

Emmet Gowin, Josef Koudelka and Henri Cartier-Bresson) with the intention of passing the works on to the Valencia Institute of Modern Art. "The top artists translate everywhere," says Mr. MacGill.

Across the Atlantic, acquisitions are continuing apace. Sarah Greenough, curator at the National Gallery of Art in Washington, D.C., has been buying large numbers of photographs by such top artists as Frank, Harry Callahan and Walker Evans for the past few years. This past spring, the Art Institute of Chicago acquired 100 prints by Joel Sternfeld as the foundation for the star assistant curator Colin Westerbeck Jr. called "a new archive of work by prominent contemporary color photographers."

Such acquisitions help to keep the market healthy if not record-breaking at the moment. Beth Gates-Warren, head of photography at Sotheby's in New York (where a record was set in April 1991 with the \$165,000 sale of Tina Modotti's 1925 black-and-white work, "Roses, Mexico"), reports that Sotheby's April 1992 sale went "reasonably well," with 70 percent of the lots

bringing in a total of \$1.5 million.

Though down from the \$2.3 million brought in during the October 1990 sale, the decline in the photography department is nowhere near as dramatic as the overall results for Sotheby's, which went from \$82 million in spring 1991 to \$19.4 million in spring of this year. Ms. Gates-Warren sets the estimates for the Modotti sale for auction during Sotheby's October 15 sale this year between \$25,000 and \$35,000, but points to a photograph by Modotti's lover and mentor, Edward Weston, as the real star of the show. The pre-sale estimate for the 1929 "pear-shaped nude," as Weston described it, is \$75,000 to \$100,000.

Christie's in New York reported similar trends in this year's sales. The October 13 sale at Christie's includes a complete edition of Edward S. Curtis' "North American Indian," published between 1907 and 1930 and consisting of 20 text volumes and 20 portfolios, including 2,257 large photogravures printed on handmade etching paper. The estimate for the set is \$150,000 to \$200,000. Dwight V. Gast

Forthcoming sale

CHRISTIE'S

Constantin Brancusi, *Le Nouveau-ne II et Tete d'enfant endormi* (The Newborn II and The Sleeping Child), gelatin silver print, 1927, 9.3/8 x 11.3/4 in. Estimate: \$25,000-35,000

19th and 20th Century Photographs
Auction: New York, 13 October 1992 at 10:00 a.m., 2:00 p.m. and 6:00 p.m.
Viewing: 9 - 12 October
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This advertising section was produced in its entirety by the supplements division of the International Herald Tribune's advertising department. • Chris Dickie is editor of the British Journal of Photography. • David Bortoff is a free-lance journalist based in Tokyo. • Dwight V. Gast is a New York-based writer on the arts and travel.

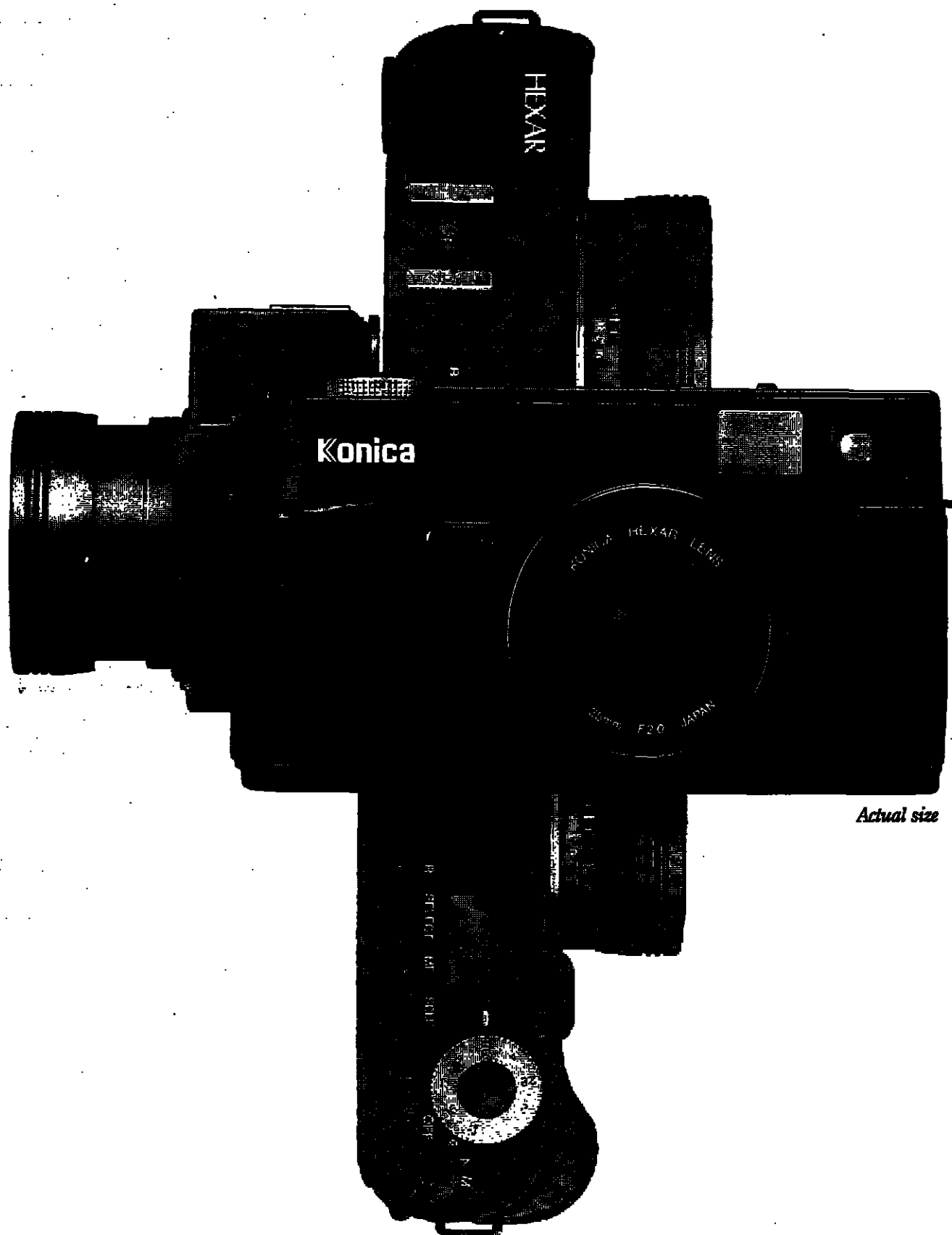
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MARKET DIARY

Earnings Warnings Drag Stocks Lower

NEW YORK — U.S. stocks, reacting Monday's surge, were pulled sharply lower Tuesday by a rash of warnings about earnings from technology companies. Declines in IBM, Amdahl Corp., Symbol Technologies and Video Lottery Technologies, sparked by lower earnings estimates, pulled the market downward. Rising Treasury yields also tempered investors' enthusiasm for stocks, traders said.

N.Y. Stocks

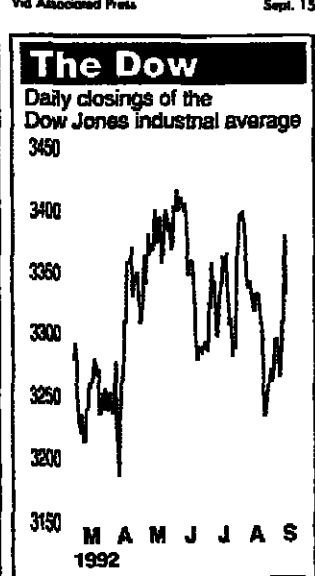
The Dow Jones industrial average fell 48.90 points to close at 3,327.32, surrendering more than half of Monday's 70-point gain touched off by the cut in German rates. Now that the initial euphoria over German rate cuts has passed, "people are saying a quarter-point cut in the Lombard rate is not that dramatic," said Kenneth Ducey, director of trading at BT Brokerage.

TRADE: Markets Stage Reversal

(Continued from page 1) sterling's value in the European Community's fixed exchange-rate mechanism. "U.K. interest rates are too high to allow an economic recovery and too low to support the currency," a London trader said. The Italian devaluation "opened a Pandora's box," said George Magnus of S.G. Warburg in London, showing that "whatever the politicians say about defending currencies, rates can and will be changed if they have to."

Foreign Exchange

French approval, although likely to initially create a knee-jerk rally in European financial markets, "will not resolve the fundamental issue that the rest of Europe needs much lower interest rates in Germany," Mr. Magnus said. "What we're seeing in the foreign-exchange market," said Gilles Bransbourg of Forex Finance in Paris, "are not speculative flows of funds but rather a return by investors to economic fundamentals—a recognition that sterling and the lira are overvalued currencies."



NYSE Most Active

Table with columns: Vol., High, Low, Last, Chg. Lists top trading stocks like IBM, Amdahl, Symbol, and Video Lottery.

AMEX Most Active

Table with columns: Vol., High, Low, Last, Chg. Lists top trading stocks on the AMEX exchange.

NYSE Diary

Table with columns: Class, Prev., Chg. Lists market movements for various sectors like Tech, Energy, and Finance.

AMEX Diary

Table with columns: Class, Prev., Chg. Lists market movements for various sectors on the AMEX exchange.

NASDAQ Diary

Table with columns: Class, Prev., Chg. Lists market movements for various sectors on the NASDAQ exchange.

Dow Jones Averages

Table with columns: Open, High, Low, Last, Chg. for Dow Jones Industrial Average and other indices.

Standard & Poor's Indexes

Table with columns: High, Low, Close, Chg. for S&P 500 and other indices.

NYSE Indexes

Table with columns: High, Low, Close, Chg. for NYSE Composite and other indices.

NASDAQ Indexes

Table with columns: High, Low, Close, Chg. for NASDAQ Composite and other indices.

AMEX Stock Index

Table with columns: High, Low, Close, Chg. for AMEX Composite and other indices.

Dow Jones Bond Averages

Table with columns: Class, Prev., Chg. for various bond averages.

Market Sales

Table with columns: NYSE 4 p.m. volume, NASDAQ 4 p.m. volume, etc.

N.Y.S.E. Odd-Lot Trading

Table with columns: Buy, Sell, Total, etc. for odd-lot trading.

S&P 100 Index Options

Table with columns: Strike, Call, Put, etc. for S&P 100 index options.

EUROPEAN FUTURES

Table with columns: Close, High, Low, Prev. Close for various European futures.

Food

Table with columns: High, Low, Close, Change for food futures.

Metals

Table with columns: High, Low, Close, Change for metal futures.

Stock Indexes

Table with columns: High, Low, Close, Change for stock indexes.

Spot Commodities

Table with columns: Commodity, Today, Prev. for spot commodities.

Dividends

Table with columns: Company, Per Annum, Div. for dividends.

Financial

Table with columns: High, Low, Close, Change for financial futures.

Grains

Table with columns: High, Low, Close, Change for grain futures.

Wheat (CBOT)

Table with columns: High, Low, Close, Change for wheat futures.

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U.S. / AT THE CLOSE

O&Y Affiliate to Cut Rouse Stake

COLUMBIA, Maryland (Combined Dispatches) — Rouse Co. said Tuesday that it and seven investors planned to buy \$114 million in common stock owned by the company's largest shareholder, which is linked to Olympia & York Developments Ltd.

Marietta Space Unit Raises Job Cuts

NEW ORLEANS (UPI) — Under cost-cutting pressure from the National Aeronautics and Space Administration, Martin Marietta Corp. said Tuesday it would double planned job eliminations in its Manned Space Systems unit to 1,000 by January 1994.

FDIC Raises Rates on Weaker Banks

WASHINGTON (Reuters) — The Federal Deposit Insurance Corp. said Tuesday that it would raise the rates it charges weak banks for insurance. The FDIC kept the levy at 23 cents per \$100 of deposits for the best-managed and most highly capitalized banks, while raising the premium for the weakest banks to 31 cents per \$100 of deposits.

Wang's Blue Knight Rides Away

LOWELL, Massachusetts (Bloomberg) — Wang Laboratories Inc. operating since Aug. 18 under Chapter 11 bankruptcy protection, said Tuesday that additional investments from International Business Machines Corp. were "unlikely."

For the Record

Playboy Enterprises Inc. will withdraw a 3-million-share public offering because "the market is just sick and tired of new issues," according to David Chemerow, its chief financial officer.

Rey's Bail Set at \$200,000

NASSAU, Bahamas — Werner K. Rey, the businessman who is at the center of a Switzerland-based biggest bankruptcy case, had bond set at \$200,000 after his arrest in the Bahamas on fraud charges.

WORLD STOCK MARKETS

Large table showing world stock market data for various cities including Amsterdam, Brussels, Frankfurt, London, Milan, Montreal, Paris, Sao Paulo, Singapore, Zurich, Toronto, and others.

Market Closed

The stock market in Tokyo was closed Tuesday for a holiday.

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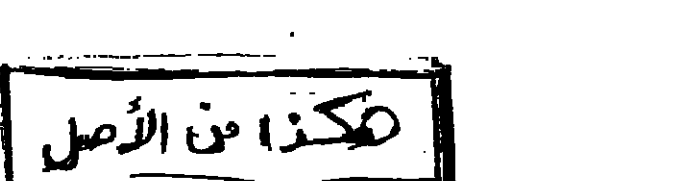
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Market Closed

The stock market in Tokyo was closed Tuesday for a holiday.

U.S. FUTURES

Large table showing U.S. futures market data for various commodities including grains, metals, oil, and currencies.



Strike Ends at FSM, Target of Fiat Buyout

WARSAW — Autoworkers striking for higher wages at Poland's Fabryka Samochodow Malolitrazowych SA plant caved in to pressure and accepted a wage offer on Tuesday, ending a 56-day sit-in that had blocked a takeover by Fiat SpA.

The wildcat strike threatened the purchase of the state-owned plant by the Italian automaker, whose promised commitment of up to \$2 billion represents the largest foreign investment in post-communist Poland.

"Unfortunately, the strike did not bring the fruit we had expected," a strike committee spokesman, Wacław Cuber, acknowledged.

The end of the protest at the plant in the southern city of Tychy was a victory for the government of Prime Minister Hanna Suchocka, which backed away from a vow to fire the strikers.

Helping the government keep to its hard line were the 13,000 FSM employees who signed petitions de-

manding that the 2,500 striking workers give up their protest and save the plant from bankruptcy.

Before leaving the plant, the workers secured a promise that FSM would stick to a wage offer approved by Fiat in July, said Jacek Albinski, an assistant to the company director.

The July deal was to raise wages by 1 million zlotys (\$77) a month for production workers and 830,000 zlotys for others, Mr. Albinski said.

The minimum monthly wage at the factory is about 1.4 million zlotys, but most workers earn more, up to almost five times as much, strike and factory leaders said. The average wage in state industry is about 2.9 million zlotys.

The strikers had demanded their wages be pegged at 10 percent of the price of the car they are producing. That would bring their pay to nearly 7 million zlotys.

The deal with Fiat was to have been completed in mid-August. No new date has been set.

Sell-Off Plan Boosts Stock of Nuovo Pignone

MILAN — The common stock of Nuovo Pignone SpA, the oil and gas services company, made a less than auspicious debut Tuesday, to close at 5,000 lire (\$4.25) a share.

The stock resumed trading after having been suspended for three trading days. It closed last Wednesday at 3,100 lire ahead of the privatization announcement.

Traders said volume Tuesday was around 100,000 shares, seven times normal.

About 144 million shares of Nuovo Pignone are outstanding, but the state, through the ENI energy group, controls about 79 percent of them. The state financial company Istituto Mobiliare Italiano holds an additional 14.5 percent.

Treuhandanstalt Stumbles In Debut on Bond Market

LONDON — Germany's Treuhandanstalt, the agency charged with selling off state-owned companies in the former East Germany, made a less than auspicious debut Tuesday as many investors balked at low returns offered in the agency's first bond sale.

But the sale of the 10-year bonds, the first in what is expected to be a long series, was not as unattractive as some had feared. The 10-year Deutsche marks (\$87.96 billion) during the next two years, also suffered from bad timing. Many investors were reluctant to buy any German bonds after prices surged nearly a point Monday when the Bundesbank cut interest rates, traders said.

"Interest from investors was close to zero," said Oliver Petzold, a salesman at Bayerische Hypothek- und Wechsel-Bank in Munich. "These yields just aren't attractive."

The Treuhandanstalt sold 4 billion DM of 7.75 percent bonds due in 2002

in the first tranche of a three-pronged sale expected to total 10 billion DM. A group of German banks handling the Tuesday sale priced the bonds at 101.00 to yield 7.60 percent, about 12 basis points more than 10-year federal German government bonds.

That premium was not attractive enough to lure investors to an untried bond issuer, even one backed by the Federal Republic of Germany, traders said. The bonds quickly slumped to a price of 100.12, for a 7.73 percent yield.

"There were no foreign buyers at all for these bonds," said Michael Elm, a trader at B. Metzler & Sohn in Frankfurt. "Many investors are reluctant to buy this paper because they prefer bonds which are deliverable against Liffe contracts and therefore have the same liquidity as federal government bonds and are 100 percent hedgeable," he said, referring to the London International Financial Futures & Options Exchange.

Although the Treuhandanstalt's debt is guaranteed by Germany, Liffe's board is waiting to see how investors view Treuhandanstalt before deciding whether to use them in the exchange's futures, a spokesman said.

"The credit story behind this bond implies that it should trade as good as a government bond," said Charles Priester, a trader at Goldman Sachs International in Frankfurt. "But international investors are taking some time before adding the Treuhand name to their buying list, even though the Treuhand made a big effort to create a brand name for itself and explain its credit situation."

Like previous government issues, only the first tranche of the bond will be sold through the bank group. A second tranche will be sold at public auction Wednesday and the Bundesbank will buy the third tranche later for resale when market conditions warrant.

Investor's Europe				
Exchange	Index	Tuesday Close	Prev. Close	% Change
Frankfurt DAX		112.30	113.10	-0.71
London FTSE 100 Index		5,475.62	5,483.48	-0.14
Paris CAC 40		1,587.55	1,595.04	-0.47
Amsterdam CBS Trend		621.03	623.34	-0.37
Brussels Stock Index		586.23	589.37	-0.53
Frankfurt FAZ		1,725.70	1,775.40	-2.80
Heidelberg HEX		2,370.00	2,422.10	-2.15
London Financial Times 30		213.40	213.30	+0.05
Madrid General Index		726.00	747.00	-2.81
Milan MIB		1,836.15	1,873.60	-2.00
Paris CAC 40		856.10	875.53	-2.22
Stockholm Aftersvaerlden		373.53	371.77	+0.47
Vienna Stock Index		634.80	634.90	-0.02
Zurich SBS				

Fighting Welfare Fraud Is Aim of Dutch Budget

THE HAGUE — The Dutch government, vowing to combat abuse of its generous social security system, on Tuesday unveiled a deficit-cutting 1993 budget in line with European Community guidelines for monetary union.

Finance Minister Wim Kok said the budget aimed to crack down on social security fraud and boost employment, while meeting the government's deficit target of 3.75 percent of net national income.

The government aims to cut its budget deficit to 3.25 percent of net national income by 1994 from an expected 4.25 percent this year.

The Netherlands' progress in steadily reducing the deficit has placed it firmly on track to meet EC requirements for entry to the second phase of economic and monetary union.

The new budget provides for revenue of 189.4 billion guilders (\$116.2 billion) and expenditure of 208.9 billion, leaving a deficit of 19.5 billion guilders, compared with 21.6 billion this year.

Worried by spiraling spending on social services and the low level of participation in the labor force, Mr. Kok said the center-left coalition government would take hard-hitting measures to reduce social welfare fraud and tax evasion.

Arjo Wiggins Cuts Payout After Earnings Drop

LONDON — Arjo Wiggins Appleton PLC, the British paper maker that is affiliated with the Saint Louis group of France, reported Tuesday a sharp drop in first-half profit and cut its dividend, saying it forecasts even worse times ahead.

Arjo Wiggins said profit slumped to \$99.1 million (\$187.6 million) in the first half of 1992 from \$135.5 million a year earlier, hit by a recession-induced decline in European paper-making.

The dividend was chopped by a fifth to 2.65 pence a share. "It is currently the board's view that the final dividend will be reduced by a similar proportion," the chairman, Cob Stenham, said.

Distressed by the dividend cut, which analysts said appeared unwarranted despite the 27 percent fall in pretax profit, investors rushed to sell the stock. It lost 53 pence, or 29 percent, closing at 129 pence in London.

In Paris, the stock of Saint Louis, which owns 39 percent of Arjo Wiggins through its Arjo-

mari-Prioux unit, plummeted 95 francs (\$18.85), or 8 percent, to 1,109 francs.

Arjo, Europe's third-largest paper maker, said the harsh operating conditions could get worse and there was no realistic chance of recovery in the next 18 months.

MB's Profit Up

LONDON — Britain's battered building products sector got a rare boost on Tuesday when MB-Caradon PLC announced a 28 percent rise in first-half pretax profit.

The increase, to \$50.6 million (\$114.7 million), was in contrast with the results of most other companies in the sector, which have announced falling profits and dividend cuts.

MB-Caradon said the improvement came in spite of a downturn in its British building products operations. Revenue there fell 7 percent and operating profit was down 24 percent, to \$17.9 million.

Analysts blamed the dividend cut for the sharp fall in the shares, with some suggesting the cut followed pressure from Saint Louis.

The dividend cut "was a real shock, and in my opinion uncalculated," said Tim Rothwell, analyst at broker Barclays de Zoete Wedd.

He said Arjo's stated dividend policy was that earnings had to cover the dividend 2.2 times, and that even with the drop in profit, the ratio was still 2.1.

Arjo Wiggins Appleton was formed in December 1990 from a merger between Wiggins Teape Appleton and Arjomari-Prioux.

RATES: A German Clue to How an EC Monetary Authority May Work

(Continued from page 1)

said in a radio interview Monday in Paris. "The spirit of Maastricht was over purely national considerations."

German observers, however, were alarmed by the same indications.

"This interest rate cut has opened a tiny window on the brave new world of European monetary and currency policy after Maastricht," wrote the editors of the newspaper the Frankfurter Allgemeine. A commentator for the newspaper Die Welt echoed those views: "What is true for the Bundesbank today will be true for the European central bank tomorrow."

Bundesbank officials, however, denied that they had been pres-

ured into the rate cut. Helmut Schlesinger, the Bundesbank's president, said that the central bank had initiated the chain of events that led to the rate devaluation and the German rate cut. Huge inflows of capital resulting from currency intervention to support the lira were undermining the Bundesbank's monetary policy, he said.

Ironically, Mr. Schlesinger spoke about the future European central bank Monday night after announcing the Bundesbank's action. He insisted that its independence would be the key to its success.

"Without this independence," Mr. Schlesinger said, "the task of the European central bank to keep European currencies — or finally the single European currency — stable would be impossible."

The independence of monetary policy, however, is a slippery concept to put in practice. In the United States, the Federal Reserve acts independently, too, but it responds at times to political influence from the White House. Moreover, it does not have a charter to seek price stability above all other economic goals, as the Bundesbank does.

Currency interventions also play a role in affecting monetary policy. When officials intervene to drive down the value of a currency, for example, that action can add to the money supply and boost inflation.

The Maastricht treaty leaves ambiguous exactly how the external value of a future European currency unit would be set vis-à-vis other currencies, such as the U.S. dollar and the Japanese yen.

Recession Tames U.K. Prices

LONDON — Data released Tuesday provided evidence that Britain was taming inflation as recession cut deep into prices.

Input prices — what companies pay for raw materials and fuel — plunged 1.9 percent in August from July, the sharpest drop in 24 years, the Central Statistical Office said. The slide was due chiefly to a fall in the prices paid for food manufacturing raw materials, the government said.

The cost of goods leaving Britain's factory gates, known as output prices, rose just 0.1 percent in the month.

"Both figures underline what has become a very favorable inflation outlook for the U.K.," said Jeremy Hawkins, senior economic adviser at Bank of America in London.

The long British recession has forced many companies, particularly retailers, to slash prices to tempt wary consumers to buy.

Revenue and profits or losses, in millions, are in local currencies unless otherwise indicated.		
Company	1992	1991
Belgium / Meth.		
Fortis	Revenue: 4,850	Revenue: 3,590
Profit: 1,630	Profit: 1,170	
Britain		
Amecc	Revenue: 18.60	Revenue: 21.50
Profit: 5.10	Profit: 5.80	
BTR	Revenue: 4,210	Revenue: 3,220
Profit: 2,120	Profit: 1,670	
Cashbury-Schwappes	Revenue: 1,470	Revenue: 1,220
Profit: 120	Profit: 110	
Dalgety	Revenue: 114.80	Revenue: 116.30
Profit: 6.54	Profit: 6.54	
Germany		
Compbell Soup	Revenue: 1,455	Revenue: 1,426
Profit: 425	Profit: 426	
France		
Compbell Soup	Revenue: 1,455	Revenue: 1,426
Profit: 425	Profit: 426	
Italy		
Compbell Soup	Revenue: 1,455	Revenue: 1,426
Profit: 425	Profit: 426	
Spain		
Compbell Soup	Revenue: 1,455	Revenue: 1,426
Profit: 425	Profit: 426	
Sweden		
Compbell Soup	Revenue: 1,455	Revenue: 1,426
Profit: 425	Profit: 426	
Switzerland		
Compbell Soup	Revenue: 1,455	Revenue: 1,426
Profit: 425	Profit: 426	
U.S.		
Compbell Soup	Revenue: 1,455	Revenue: 1,426
Profit: 425	Profit: 426	

PLAN: German Growth Renewal

(Continued from first finance page)

Mr. Mollmann, a leader of the Free Democratic party, was understood mostly as a provocative prod to his party's senior coalition partners, the Christian Democrats, and as a possible overture to the parliamentary opposition, the Social Democrats. It is widely believed that Mr. Mollmann is interested in heading a new coalition with the Social Democrats if German voters reject the current leadership in the next elections.

"If they arrive at a solidarity pact, Mr. Mollmann is very interested in being the main coordinator," said Erwin Grandinger, a political analyst at Nomura Research Institute.

In exchange for wage restraint in Eastern Germany, Mr. Mollmann repeated a plea for fiscal restraint in Western Germany, where state and local government expenditures continue to expand faster than the federal government and the Bundesbank consider appropriate.

TR EUROPEAN HARMONY FUND
FCP
2, boulevard Royal
Luxembourg

DIVIDEND ANNOUNCEMENT
TR EUROPEAN HARMONY FUND will pay a dividend of US\$ 0.50 per share on September 24th, 1992.

Shares are traded Ex-dividend as from September 17th 1992.

The dividend is payable to holders of bearer shares against presentation of coupon no. 4 to the following:

BANQUE INTERNATIONALE A LUXEMBOURG
2, boulevard Royal, 2953 Luxembourg
GRAND-DUCHY OF LUXEMBOURG

The Board of Directors of
TR EUROPEAN HARMONY FUND MANAGEMENT COMPANY S.A.
(LUXEMBOURG) S.A.

Legrand

LEGRAND HALF-YEAR RESULTS
net profit + 7%

The Legrand Board of Directors, chaired by Mr. François Grappone, has approved consolidated financial statements for the first half. Key figures are:

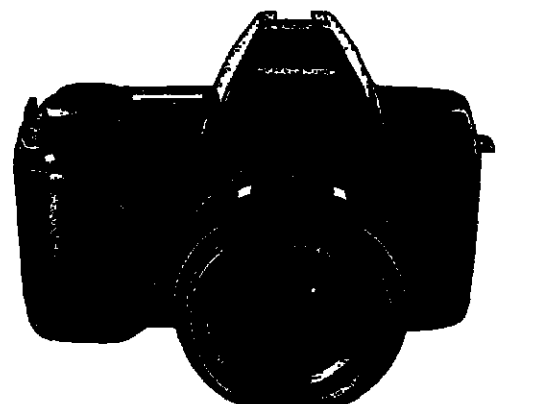
(millions of FF)	1st half 1992	1st half 1991
Sales	5,225	5,026
Net income (attributable to Group)	364	339
% of sales	7.0%	6.7%
Working capital provided from operations	772	749
% of sales	15%	15%
Capital expenditures	465	567
% of sales	9%	11%

The Board reminds investors that Boco, one of France's top specialists in earth leakage protection and control and signalling devices, became part of the Legrand Group at the end of June 1992.

With net margin a robust 8% and funds generated by operations equal to 17% of sales, Boco derives 25% of its revenues from export markets and gives the Group added clout in technology and industry.

Financial Information: O. Bazil, G. Schnepf
Tel.: (33.31) 43.60.01.80

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NYSE

Tuesday's Closing
Tables include the nationwide price up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

Symbol	Price	Change
IBM	115.25	+0.25
MSFT	54.75	+0.25
GE	34.25	+0.12
AMZN	18.50	+0.10
GOOG	27.50	+0.15
DIS	25.75	+0.10
INTL	12.25	+0.05
ORCL	22.50	+0.10
HPQ	15.25	+0.05
QCOM	18.75	+0.10
TXN	12.50	+0.05
WDC	10.25	+0.05
YH	11.75	+0.05
ADSK	14.50	+0.05
CDW	13.25	+0.05
EMC	11.75	+0.05
PERQ	10.25	+0.05
STON	11.25	+0.05
WYNN	10.25	+0.05
AMZN	18.50	+0.10
GOOG	27.50	+0.15
DIS	25.75	+0.10
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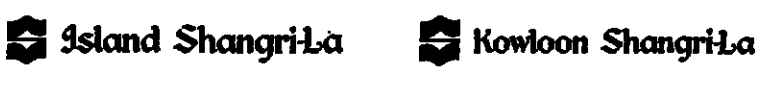
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AMEX

NYSE

(Continued on next page)

SPORTS BASEBALL

In Eckersley, A's See MVP

By Michael Martinez
New York Times Service

OAKLAND, California — Dennis Eckersley is pitching the Oakland Athletics to another division title, and it might be time to suggest that he is the most valuable player in the American League.

Eckersley, for all his wondrous work the past five seasons, has never been recognized for what he surely is: the best reliever in the game and the most important component on a team that is approaching its fourth American League West title in five years.

As the A's began their stretch run with a three-game series against the second-place Minnesota Twins, Eckersley, 38, was at the center of it.

After Monday night's game he had seven victories, another save for a league-leading 46, a 1.90 earned-run average and gathering support that he should win both the MVP and Cy Young awards at season's end.

"I've been around this game long enough to know how valuable the guy is," said Rich Gossage, his teammate and fellow relief pitcher, with 308 saves in the major leagues. "If he doesn't win the MVP and the Cy Young, the whole thing is a joke."

The Athletics' manager, Tony La Russa said: "What is an MVP? Look around the league and see who's contributed the most. I see plenty of guys who've helped their teams contend, but I don't think there's anybody who is more important to their club than 'Eck' is to us."

The A's traded away Jose Canseco and for long periods had Mark McGwire on the disabled list. Without Eckersley, it's debatable that they would now have a seven-game lead and the race virtually wrapped up.

"He's been almost perfect this season," said Gossage. "That's the difference between us being where we are now and being tied for first."

(Eckersley, who signed a two-year contract for \$7.5 million earlier this season, said of the Canseco trade: "I was a negative when it came to the chemistry of the team. He did what he wanted to do. It wasn't as tough for us as it was for Tony, because whether he was leaving a game in the fifth inning or coming late for betting practice, you never really know if he cared. He's a great player, but in the long run we're better off.")

There is precedent for all this. Willie Hernandez, the former relief ace of the Detroit Tigers, won the MVP and Cy Young in 1984. Rolfie Fingers, then with the Milwaukee Brewers and now in the Hall of Fame, pulled off the awards double in 1981.

But Eckersley, the only pitcher to record 40 or more saves in four seasons, said he doesn't measure his success by awards. A no-hitter in 1977 and 20 victories in 1978 were followed by a drinking problem that almost left his career in pieces.

"If you'd been through what I've been through in my career," he said, "you'd know it's not important."

Eckersley's rate of success is so high this season that Oakland's record when he pitches is 57-2. He made good on his first 36 save chances and had a string of 40 in a row over two seasons without failing, a major league record. Since becoming a full-time closer in 1988, he has saved 90 percent of his chances, 215 of 240. He has 234 saves over all.

The reason: control. In 71 innings, Eckersley has walked just nine batters, four intentionally. By his own standards, his best season was 1990, when he had more saves (48) than hits and walks combined (45).

"How do you do that?" he asked. "You can't. It won't ever happen again. It was one of those freak years."

But his walks have always been few. In 1989, he walked three in 58 innings. Last season, nine in 76 innings.

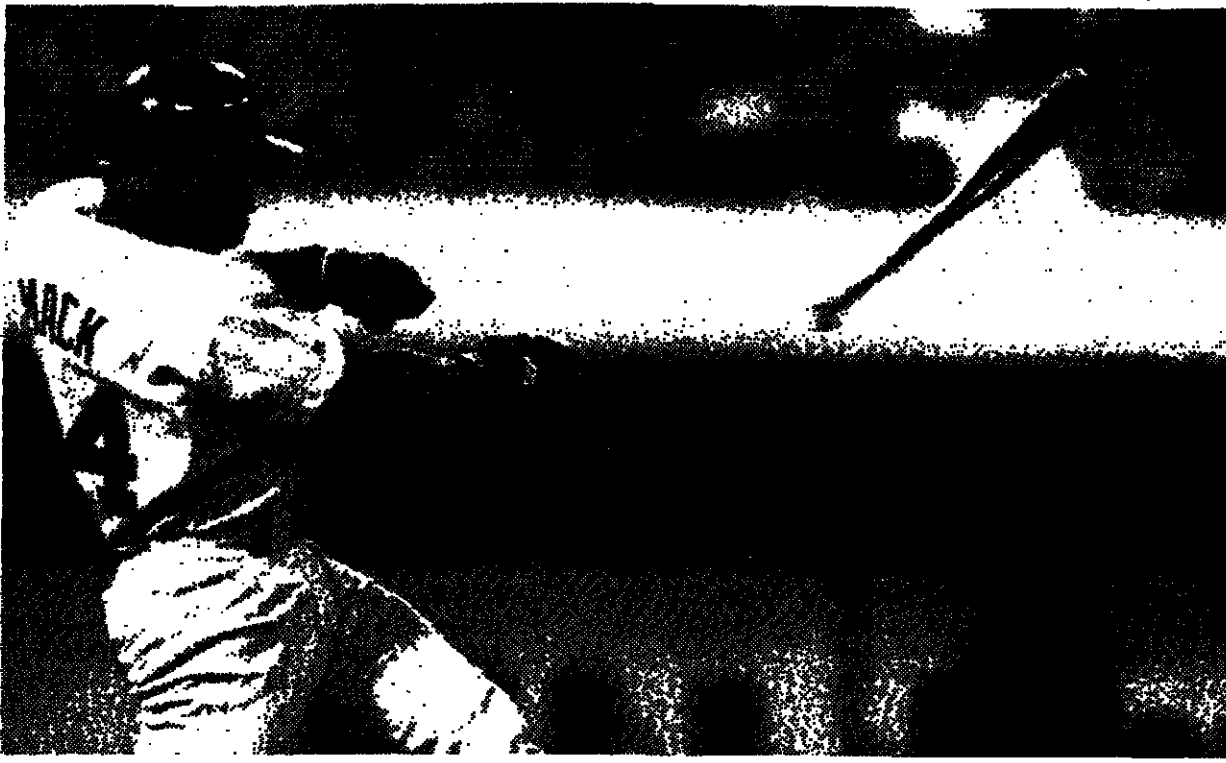
"He's the most amazing pitcher I've ever seen," said his teammate Ron Darling. "He has the ability to throw a strike anytime he wants. Nobody else can do that. Nobody. I've charted pitches when he's thrown, and I've seen him hit the corner with every pitch."

But the talk of things like the MVP and Cy Young puts Eckersley in an uncomfortable mode.

"Roger Clemens can have the Cy Young Award," he said. "I've been on both ends of it. I've pitched 260 innings and won 20 games, but they're going to give the Cy Young to some guy who pitches 75 innings? And then you've got a guy hitting 30 dingers and driving in 120 runs who will get it?"

A few weeks later, after he signed as a professional with the Motorola team based in the United States, he was entered in his first race, the Clasica San Sebastian, a World Cup competition in Spain. The rainy weather was against him and so was the distance, 234 kilometers (145 miles), many more than he was accustomed to as an amateur. "It's tough when it's 250, 260 kilometers, but 200 I have no problem with," Armstrong said.

Shane Mack lost his grip on the bat as he went down swinging, while his Twins also struck out against the Athletics, the heart-breaking 3-2 loss in the opening contest of their three-game showdown with the leaders in the American League West dropping Minnesota seven games behind.



Bucs Still Hold the Cards' Ace

The Associated Press

If the Pittsburgh Pirates win a third straight National League East title, their mastery of the St. Louis Cardinals and relief ace Lee Smith will be a major reason.

The Pirates beat Smith and the Cardinals again Monday night, as Cecil Espy's run-scoring single in the 10th inning — his first RBI since July 10 — gave Pittsburgh a 5-4 victory in St. Louis.

It also gave the Pirates a four-game lead over second-place Montreal.

Smith leads the league with 38 saves but is 0-3 with two blown saves in three chances against Pittsburgh. That the winning run this time was unearned due to a fielding error didn't help his attitude.

"I don't have anything to say," Smith said.

Alex Cole reached base on an error by second baseman Geromino Pena with one out in the 10th and went to third on pinch-hitter Dave Clark's single. Espy followed with a single to right to give Doug Drabek his third straight victory.

The Pirates have beaten the Cardinals 11 straight times and 13 of 15 this season.

Phillies 6, Expos 2: In Philadelphia, rookie Brando Castillo's first major league homer, a three-run shot, beat Montreal.

Brian Barnes, the Expos' starter, had a perfect game and a 2-0 lead until the bottom of the fifth, which Drew Holifield opened with an infield single. Darren Daulton then walked and Castillo then homered to left field.

Astrus 5, Giants 0: Willie Blair held San Francisco to an infield single for six innings and Jeff Bagwell, with a homer and a sacrifice fly, drove in two runs in Houston.

Blair was lifted for a pinch-hitter in the sixth after striking out seven and walking two.

Mets 10, Cubs 8: Charlie O'Brien's three-run double with two outs in the top of the ninth gave New York its victory in Chicago.

The Cubs' Andre Dawson and Derrick May each went 4 for 5 with Dawson driving in three runs on two singles and his 396th home run.

Dodgers 5, Padres 4: Mike Scioscia, whose seventh-inning homer was his first since May 17, singled in the tie-breaking run in the 11th as Los Angeles won in San Diego.

The Padres' Gary Sheffield went 2 for 3 and moved back into the NL batting lead at .333, two points ahead of Pittsburgh's Andy Van Slyke.



The Indians' Jose Mesa held Toronto to four hits, and cut the Blue Jays' AL East lead to four games.

Hopes Ebbing For the Twins

The Associated Press

The Minnesota Twins are getting closer to conceding that they may not catch the Oakland Athletics.

The Twins fell seven games behind the first-place Athletics in the American League West with Terry Steinbach's RBI single in the eighth inning gave Oakland a 3-2 victory Monday night.

"We have our backs against the wall," said the Twins' manager, Tom Kelly said. "Mathematically, we still have a chance. Realistically, I don't know."

It was a crucial game for the Twins, who needed to sweep the three-game series just to get to three back. The best they can do now is make five with victories in the last two games.

Steinbach, who grew up in Minnesota and lives there between seasons, is hitting .457 (16 for 35) against the Twins.

"I don't know if he knows his family is watching him back in Minnesota on TV or what, but I'll tell you what, he's a great hitter against us," said the Twins' Kirby Puckett.

Steinbach grounded a single up the middle after Ruben Sierra led off the bottom of the eighth with a double and the Twins made two pitching changes, finally settling on Tom Willis.

Tom Edens, who started the inning, took the loss. Oakland's Dennis Eckersley got the final three outs for his 46th save.

Indians 2, Blue Jays 1: In Toronto, Jose Mesa held the Blue Jays to four hits for 8 1/2 innings as Cleveland cut their lead in the East to four games over second-place Baltimore.

Glennallen Hill homered for the Indians, who beat David Cone and matched their season high with their fifth consecutive victory. Mesa struck out four and walked one before Derek Lilliquist relieved following a single by John Olerud. After Candy Maldonado's RBI single put runners on first and third, Steve Olin walked pinch-hitter Roberto Alomar, but then got pinch-hitter Rance Mulliniks on a ground out for his 26th save.

Olerud 2, Royals 1: Baltimore's Cal Ripken ended his 73-game streak without a home run, a span of 292 at-bats since June 23, and Rick Sutcliffe held visiting Kansas City to two hits in 7 1/2 innings.

Brady Anderson also homered off Rick Reed as the Orioles won for only the second time in eight games. They have scored just three runs in 28 innings.

Sutcliffe retired his first 14 batters before Kevin Kosofski's single to right. Greg Olson pitched the ninth inning of the four-hitter for his 33rd save.

Brewers 6, Red Sox 0: Chris Bacio tied a Milwaukee record by winning his eighth consecutive decision, allowing only four hits for eight innings in Boston.

The Brewers' first four batters all singled off Danny Darwin, for a 2-0 lead, then Greg Vaughn added a sacrifice fly in the first and a two-run homer in the sixth.

Bacio is unbeaten in 12 starts since July 9. He struck out three, walked none, didn't give up an extra-base hit and didn't allow a runner past first. The Brewers are now five games behind the Blue Jays.

White Sox 8, Yankees 6: Lance Johnson tripled twice and drove in two runs as Chicago won in New York.

Bob Wickman, 3-1, an emergency starter after Scott Sanderson pulled a back muscle warming up, failed to become the first Yankee pitcher to win his first four major league decisions since Whitey Ford in 1950.

Between Lance Armstrong and Stardom, There Is Only Hard Work

By Samuel Abt
International Herald Tribune

PARIS — Finishing his first bicycle race as a professional by riding so far behind that he was alone, Lance Armstrong began thinking the unthinkable. "I thought maybe I wasn't any good," he said. "I thought, 'God, these guys are that much better than me.' It was very humbling."

Armstrong is not easily humbled. He is confident, articulate, likable and, on the eve of his 21st birthday, one of the brightest prospects in the sport. But for a few weeks this summer he was simply another rider hunched over his handlebars, pumping his legs to no great, or even good, result. In a word, humbled.

As an amateur last month, he was a favorite in the road race in the Olympic Games in Barcelona but finished far back because, as he said, "I just didn't have the best legs. I had good legs but other guys had better legs."

A few weeks later, after he signed as a professional with the Motorola team based in the United States, he was entered in his first race, the Clasica San Sebastian, a World Cup competition in Spain. The rainy weather was against him and so was the distance, 234 kilometers (145 miles), many more than he was accustomed to as an amateur. "It's tough when it's 250, 260 kilometers, but 200 I have no problem with," Armstrong said.

He finished 111th, dead last, 11 minutes behind the rider in 110th place. All alone as he plowed on, Armstrong refused to quit, as 95 of the 206 starters did. "It was my first race, my first professional race, and I didn't want to quit my first race," he explained. "I didn't want to finish but I didn't want to quit either."

Blooded in battle, he began to do well: a stage victory in the Tour de Galicia in Spain, ed their first broad attention, Armstrong was modest beforehand about his goals in the race.

"It's sort of preparation for the rest of the season, the remaining World Cup races," he said. "I'd like to have a stage win here. Definitely. That's a goal. But the overall classification, I have to see how it goes."

By Tuesday, three days before the 10-day race ends in Brittany, Armstrong ranked 31st, second place in the Championship of Zurich, another World Cup one-day race, then a victory in an Italian race. It was an astonishingly successful start to his professional career and confirmed his promise as the heralded amateur who beat professionals to win the Settimana Bergamasca race in Italy two years ago.

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about five minutes behind. He did not yet have a stage victory.

Nevertheless, said his Motorola coach, Jim Ochowicz, "Lance is riding heads up and we're very pleased."

"He's definitely got a winning attitude," Ochowicz added. "You don't have to motivate him."

Besides attitude, Armstrong said by phone, his form was good. "Good, but you never know, it comes and goes so quick. You get good form and there's that great you have to hold and ride for as long as you can. It's pretty easy to go over it and start your descent."

While his form holds, however, Armstrong has a full racing schedule. He rides next in the Tour of Ireland and then in such World Cup races as Paris-Tours, the Grand Prix of Lombardy and the Grand Prix of the Americas in Montreal. "A lot of riding," he conceded, "but I'm begging for it."

He also has an inner schedule, and it calls for him to be nothing less than a great star.

Armstrong has practiced and polished the line, used in so many interviews now that his delivery is perfect. The straight man asks the inevitable question: Are you the next Greg LeMond? "No," he answers. "I'm the first Lance." (A healthy chuckle here for pronunciation) "the first Armstrong."

It reads gibberish to his sounds. The adjective often attached to Armstrong is "brash," but perhaps that's only his way of seeking self-protection. Speaking the Lance line, Armstrong can be understood to be asking for some breathing room, for respite against the LeMond comparison. Cut him some slack, as they say back home in Plano, Texas. Until Thursday, he's still only 20.

"I don't think it's fair to compare me to Greg LeMond," he said in an earlier interview. "He's a great athlete and I think I'm a good athlete."

"Physically, we're a lot different," continued Armstrong, who is 6 feet, 1 inch and 180 pounds (1.85 meters, 82 kilograms) to LeMond's 5-10, 152. "He's a big guy but he's not as big as me. Body type, there's no comparison. He turned pro when he was 19 but he also got married when he was 19, so I guess he started everything a little early."

Armstrong began competing on a bicycle at 12, "just to keep busy," but focused on other sports. "Being from Texas, of course I tried football, the mainstream sports thing, then triathlon and got into cycling from there."

He is honest about why he changed sports. "I wasn't any good at football. No speed, no coordination." Swimming — 1,650 meters indoors, 1,500 meters outdoors — was no different. "Again no speed," Armstrong says.

That analysis carries over to road racing. Asked to list his weaknesses, Armstrong said, "I don't have a lot of speed in cycling either. I'm not very quick in the sprint."

For his strengths, he named climbing and time trials. Somewhere in between his strengths and weaknesses he put bike-handling skills. "They've improved greatly," he thought. "A lot of triathletes don't have very good bike-handling skills because they don't ride in packs."

Riding in packs offers other advantages, he continued, including the opportunity to compare himself directly to his opponents.

"The day that you're on, you're riding and you get this feeling that's like 'The words trailed off as Armstrong searched for a way to define ecstasy. "You're tired and you're hurting," he resumed, "but you just look around and you can tell that the guy next to you is hurting one notch more than you and you're recovering that much faster than him, and that's an incredible feeling."

Victory is another high. "When it's going good — I should say when you're winning — it's one of the most luxurious sensations. It's an incredible feeling to win major races, to come across with your hands in the air. It's like no other feeling in the world."

Victory matters a lot to Armstrong. "I want to be a star," he said in an even voice.

"I know I want to do the Tour de France. I know I want to win the Tour de France. I think I can someday get to that level but that's a long way off, a lot of hard work. The desire is there, the ambition is there, the goal is there. It's only a matter of doing the hard work and winning the race."

"Everybody wants to win the Tour de France, everybody from Category 4 up says, 'I want to win the Tour,' yet only one guy can win it each year," he continued. "LeMond has won it three times and look at his crowds, the way he's responded to it. It's amazing."

"Win the Tour de France and you're a star. I'd like to be a star."

"I'm sure I'd get sick of all the pressure and all the appearances but I'd like to try for a while."

SCOREBOARD

BASEBALL

Major League Standings

AMERICAN LEAGUE

East Division

Team	W	L	Pct.
Toronto	54	61	.470
Baltimore	77	44	.637
Milwaukee	78	45	.635
New York	69	75	.479
Cleveland	68	72	.486
Detroit	67	73	.480
Boston	65	75	.463

West Division

Team	W	L	Pct.
Oakland	87	57	.604
Minnesota	80	64	.558
Chicago	76	67	.530
Texas	64	79	.448
California	64	79	.448
Kansas City	63	80	.442
Seattle	58	85	.403

NATIONAL LEAGUE

East Division

Team	W	L	Pct.
Pittsburgh	62	60	.508
Montreal	71	64	.523
St. Louis	71	70	.504
Chicago	70	72	.493
Philadelphia	64	78	.450

West Division

Team	W	L	Pct.
Arlington	67	55	.549
Cincinnati	77	64	.544
San Diego	76	67	.531
Houston	68	76	.474
San Francisco	68	76	.474
Los Angeles	58	84	.405

Monday's Line Scores

AMERICAN LEAGUE

Team	W	L	Pct.
Milwaukee	200	200	100-0-0
Boston	200	200	100-0-0
Seattle	200	200	100-0-0
San Francisco	200	200	100-0-0
Los Angeles	200	200	100-0-0
San Diego	200	200	100-0-0
Minnesota	200	200	100-0-0
Chicago	200	200	100-0-0
Texas	200	200	100-0-0
Kansas City	200	200	100-0-0
California	200	200	100-0-0
Oakland	200	200	100-0-0
Detroit	200	200	100-0-0
Cleveland	200	200	100-0-0
New York	200	200	100-0-0
Baltimore	200	200	100-0-0
Toronto	200	200	100-0-0

NATIONAL LEAGUE

Team	W	L	Pct.
Philadelphia	200	200	100-0-0
St. Louis	200	200	100-0-0
Montreal	200	200	100-0-0
San Diego	200	200	100-0-0
Los Angeles	200	200	100-0-0
San Francisco	200	200	100-0-0
Chicago	200	200	100-0-0
Texas	200	200	100-0-0
Kansas City	200	200	100-0-0
California	200	200	100-0-0
Oakland	200	200	100-0-0
Detroit	200	200	100-0-0
Cleveland	200	200	100-0-0
New York	200	200	100-0-0
Baltimore	200	200	100-0-0
Toronto	200	200	100-0-0

Williams Says Mansell Rejected All Offers

Compiled by Our Staff From Dispatches

DIDCOT, England — The Williams Formula One team director, Frank Williams, said Tuesday that world champion driver Nigel Mansell had rejected all offers to stay with his team before deciding to retire from Grand Prix racing.

Williams said that "our strategy for 1993 included ensuring that we had Nigel in the team, a strategy we pursued right up until Nigel's announcement on Sunday."

"Without going into details of the long and protracted negotiations, we have made several offers to Nigel, all of which were rejected."

His statement did not mention Alain Prost, who is expected to drive for the team in 1993, or Ayrton Senna, whose offer to drive for the Williams team "for nothing" had led to what Mansell said Sunday had been his being offered a "massive reduction in remuneration from the figure agreed" to earlier.

Sources close to the team said that Renault, which supplies Williams with engines, and Elf, which supplies fuel, were behind Sunday's last-ditch attempt to retain Mansell.

Renault and Elf, these sources said, will be paying Prost's wages next year and had told Williams he would have to pay the other driver, which was why the team director had been so quick to listen to Senna's offer to drive for nothing.

Then the French companies, worried by the bad publicity, finally agreed to pay Mansell's salary as well, but the offer came too late.

Williams Says Mansell Rejected All Offers

SOCCER

ENGLISH PREMIER LEAGUE

Coventry 1, Tottenham 1

TRANSACTIONS

BASEBALL

National League

SAN DIEGO — Reached Guillermo Velazquez, infielder, and Tom Lincecum, catcher, from Los Vegas, Pacific Coast League.

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CZECHOSLOVAKIA	00-420-000	GREECE	00-400-011	LUXEMBOURG	0-800-011	SWEDEN	020-795-011
DENMARK	800-000	HUNGARY	000-800-011	NETHERLANDS	050-022-011	SWITZERLAND	155-00-11
EGYPT (Cairo)	510-000	IRELAND	1-800-550-000	NORWAY	050-1201	TURKEY	066-800-2277
FINLAND	0800-100-0	ISRAEL	177-100-277	POLAND	0000-480-011	UNITED KINGDOM	0800-80-0011

OBSERVER

Money's Best Friend

By Russell Baker

NEW YORK — Nobody can go wrong by running against lawyers and bureaucrats so I wasn't surprised when President George Bush lashed these wretched devils with the limp noodle of his campaign oratory.

The inane audience of high capitalists at the Detroit Economic Club hoisted with delight when the president suggested that lawyers will get a nasty comeuppance in a second Bush administration. The audience applause suggested most would gladly give up desert if the sacrifice could persuade the president to have a half-dozen lawyers hauled to the podium, stripped of their briefcases and birched with wet whips.

This being a political campaign, it is unporting to call attention to presidential nonsense. On the other hand, what's wrong with being unporting when both candidates hold to the proposition that anyone who doesn't want the presidency desperately enough to kill for it is unworthy to lead us toward fulfillment of the American dream?

The president said lawyers cost the nation billions in wealth. He mentioned a specific number of billions, which I instantly forgot after checking the amount of brain fraud statistics and finding none left.

Surely seven maids with seven computers computing for seven years couldn't make a sensible estimate of how much money lawyers are costing the country. Such statistics are cooked up by political "researchers" to fit the transient needs of candidates.

The fact, of course, is that the most formidable and most expensive lawyers are almost invariably employed by corporations. Their duties include lobbying to shape the law to their employers' advantage, adjusting corporate policy to the ever-changing whims of the tax laws, and glowering at the occasional impermanent citizen trying to make trouble for the corporation.

The typical upstart who takes his grievance to a lawyer tends to settle cheap when confronted by the mountainous array of corporate legal power so obviously capable of bankrupting him with the astronomical costs of American justice.

In short, the prime function of the infamously overpaid lawyer in the United States is to help the rich get richer. It is not just comically ironic to see a gathering of capitalists cheering a presidential assault on their loyal, if extravagantly paid, flunkies. It also smacks of corporate ingratitude for people who devote their lives to the corporation.

Well, of course it's not the corporation lawyer whom good capitalists want undone. It is the so-called "trial lawyer," who rejects the corporate offer and insists on a trial, which sometimes ends with a huge jury award depleting the corporate till.

Such lawyers, usually working only for a very large percentage of the award, are denigrated as "ambulance chasers." It wasn't clear from the president's speech whether the "billions" lawyers cost the country are composed of jury awards against corporations or the amount corporations pay their own lawyers, or the sum of the two.

In his ceremonial bashing of the bureaucrats, the president promised a 5 percent cut in the salaries of government workers who earn more than \$75,000. This may or may not be a good idea, economically speaking, but the politics of it is weird even by the standards by which the Bush campaign has accustomed us. Why?

Well, because what is the president proposing here but an income tax on a clearly defined population group? And who is the fellow who says he once made a terrible mistake by raising taxes but will never ever raise taxes again? That's right: It is Mr. President, the same fellow who is simultaneously promising to put an income tax on upper-income bureaucrats.

Is it not capricious to dwell on these presidential absurdities? Yes, if we agree that what is said and done in pursuit of office is merely circus, just ritual game-playing that is not meant to deal with the world as it really is nor tell us anything at all about what will be done once the game is lost and won.

Being serious about serious business is bad taste in America.

New York Times Service

The True Life Story of a Marlboro Man

By John Marchese

NEW YORK — He was the kind of man who owned his own pool car. He would line up his shot with exaggerated concern, leaning out over the green felt and staring down the wooden stick forever. He had green eyes — "killer eyes," said the last woman who lived with him — dark brown hair and the easy, square features that women dream about. If he smiled at you once, you'd be his friend.

Wayne McLaren had learned pool as he had learned most things: hanging around, quietly working at it so that by the time he got good, it seemed as if he had always been good. In this way, he mastered an array of pursuits that were glamorous mostly in their danger, like riding bulls in competition. He knew how to fight and he didn't mind doing it, but he could also play Chopin on the piano. "Of course," an old friend said, "that combination made him especially attractive to a certain kind of woman."

For nearly three decades, a small, highly selective club of men have profoundly affected American style. The handful of strong, silent types who have been chosen as Marlboro men have influenced a generation in the United States, and around the world, not only in what they smoke, but in what they wear and how they act.

The Marlboro man image has proven so powerful and seductive that Marlboro's parent company, Philip Morris, guards it zealously. The models, most of whom are actual cowboys, "are sworn to secrecy" about all aspects of their work, a company spokesman said. But just before he died of lung cancer in July at 51, McLaren went very public, saying he had worked briefly as a cowboy-model for Marlboro. At the end of a life spent around the edge of celebrity, McLaren's anti-smoking advocacy made him a romantic hero of another sort. "I'm dying proof," he said before his death, "that smoking will kill you."



Wayne McLaren in a layout of cowboy publicity pictures.

his knee. But with westerns so popular then, he thought he could make a living as a stunt man. "It's mostly just falling off horses," he once said. Meanwhile, he would try to become an actor.

"Wayne had the looks and the talent," said Jim Myers, a longtime assistant director for films and television who helped the fledgling actor get into the Screen Actors Guild.

"But he had a flaw," Myers said. "Three flaws, really: beer and cigarettes and women." He always drank Budweiser and he always smoked Kools; the women varied. McLaren's resume listed television credits like "Mission Impossible," "Guns, Smokes," "Cannon" and films like "Paint Your Wagon," "Junior Bonner" and "Count Your Blessings." They weren't all westerns, but mostly. The cowboy roles

months later, he learned that he had advanced lung cancer. For the next two years, McLaren was in and out of hospitals undergoing chemotherapy, surgery to remove his left lung, and radiation therapy. In June 1990, though the lung cancer had been removed, doctors discovered that the cancer had spread to his brain.

"I think once he knew that he was dying he may have felt a little guilt in that promotion he'd done for cigarettes," his brother Charles said. "It may be that this could be a legacy for him. He had never really accomplished anything that was particularly noteworthy, and maybe in his own mind he felt that this might be his last hurrah and he was going to make it count."

McLaren had learned enough about images in Hollywood to know he'd get more attention for his message if he accentuated a Marlboro connection.

In March of this year, he appeared wearing jeans and boots and a white cowboy hat before the combined houses of the Massachusetts Legislature, which was considering a bill that would add taxes to cigarette sales to pay for health education.

After saying that he had appeared in Marlboro ads, he told the legislators: "I started to smoke in my early teens because it seemed to be the thing to do, a rite of passage to adulthood."

In April, McLaren showed up in his white hat to speak at the annual Philip Morris stockholders' meeting in Richmond, Virginia, to support a resolution that the company voluntarily limit its advertising.

When he was finished, Michael A. Miles, the company's chairman, said from the podium: "We're certainly sorry to hear about your medical problem. Without knowing your medical history, I don't think I can comment any further."

A Philip Morris spokesman, Karen Dargagan, now concedes that McLaren appeared in retail promotional displays for Marlboro Texan Poker Cards, picturing sitting in a group of four cowboys playing cards.

But at the time of McLaren's anti-smoking campaign, the company maintained that it could not find "any records supporting Wayne McLaren's claim that he appeared in Marlboro advertising."

PEOPLE

Celebrity Collectibles: Here's Lennon's Oscar

John Lennon's Oscar is going on the auction block again. The Beatles won an Academy Award in 1970 for "Let It Be," but exactly what happened to Lennon's statuette was a mystery. The TV show "Hard Copy" decided to track it down and discovered that it had been locked in a vault since 1976. It turns out the award was auctioned off in 1976 for \$600, with the proceeds going to a school for the handicapped in Connecticut. The Oscar resurfaced when a private collector purchased it and decided to auction it. The sale on Oct. 5 in New York is being handled by Herman Darwick, and the organizers hope it might fetch as much as \$100,000. How's that for optimism?

Henry A. Kissinger is reportedly incensed by a positive review written by Foreign Affairs' outgoing editor, William Hylton, on "Kissinger," a new biography by Walter Isaacson. So incensed, sources say, that he is boycotting a gala Thursday to celebrate the publication's 70th anniversary and bid farewell to Hylton, a long-time friend. Hylton cautions that Kissinger and his wife, Nancy, complained to him in separate calls. Through a spokeswoman, Kissinger denied that the review triggered his cancellation: "My schedule caught up with me."

The National Enquirer has made a high-five-figure offer to St. Martin's Press for first serializations rights on "The Senator: My Ten Years with Ted Kennedy" by Richard E. Burke, a former aide to Kennedy.

Dr. George Nichopoulos, who was Elvis Presley's physician, again faces charges of overprescribing drugs and must temporarily give up his license. The charges are similar to those Nichopoulos faced in 1980, when the Tennessee board of medical examiners found fault with his prescribing for patients, including Presley and Jerry Lee Lewis.

Zsa Zsa Gabor wants to adopt a German child, the Berliner Morgenpost reported Tuesday. Gabor reportedly said she and her eighth husband, Prince Frederick von Anhalt, "want to adopt a little Berliner, aged between three and four, as soon as possible."

TODAY'S BUSINESS MESSAGE CENTER. Appears on Pages 8 & 9.

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